

BOROUGH OF DUMONT
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2010

BOROUGH OF DUMONT

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BOROUGH OF DUMONT

BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Dumont
Dumont, New Jersey

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Dumont as of December 31, 2010 and 2009 and the related statements of operations and changes in fund balance - regulatory basis for the year then ended and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2010. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraphs of this report, we conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Dumont's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.


As described more fully in Note 1, the Borough has prepared these financial statements using accounting practices that demonstrates compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and the accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP financial activities are included in the Borough's Trust Fund, and represent 61 percent and 52 percent of the assets and liabilities respectively, of the Borough's Trust Funds as of December 31, 2010 and 2009.


In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Dumont as of December 31, 2010 and 2009 or the results of its operations for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Dumont as of December 31, 2010 and 2009 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated May 31, 2011 on our consideration of the Borough of Dumont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Dumont. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Dumont. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole on the basis of accounting described in Note 1.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
May 31, 2011

BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2010 AND 2009

ASSETS	Reference	<u>2010</u>	<u>2009</u>
Cash and Investments	A-4	\$ 2,810,099	\$ 2,759,309
Petty Cash	A-5		250
Change Fund	A-6	250	250
Grants Receivable	A-15	53,164	94,950
Due From State - Senior Citizens & Veterans Deductions	A-7	<u>9,309</u>	<u>10,809</u>
		<u>2,872,822</u>	<u>2,865,568</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	575,458	572,736
Tax Title Lien	A-9	3,022	2,401
Property Acquired for Taxes	A-10	79,526	79,526
Other Accounts Receivable	A-11	2,007	20,768
Revenue Accounts Receivable	A-12	26,680	
Due from Other Trust Fund	B-2	9,629	8,494
Due from Animal Control Fund	B-5	4,761	6,576
Due from General Capital Fund	C-8	1,337	17
Due from Public Assistance Trust Fund	D-5	<u>1</u>	<u>1</u>
		<u>702,421</u>	<u>690,519</u>
Deferred Charges			
Emergency Authorizations	A-14	-	7,818
Special Emergency Authorizations	A-13	<u>14,000</u>	<u>43,000</u>
		<u>14,000</u>	<u>50,818</u>
Total Assets		<u>\$ 3,589,243</u>	<u>\$ 3,606,905</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2010 AND 2009
(Continued)

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Liabilities			
Appropriation Reserves	A-3,A-16	\$ 486,033	\$ 453,559
Encumbrances Payable	A-17	425,119	600,061
Accounts Payable	A-18	9,718	6,900
Other Liabilities	A-20	2,979	7,716
Miscellaneous Reserves	A-19	322,112	334,587
Prepaid Taxes	A-21	124,885	136,367
Tax Overpayments	A-22	21,859	250
Due to County for Added Taxes	A-24	7,424	5,415
School Taxes Payable	A-23	10	
Appropriated Reserves for Grants	A-25	134,110	74,756
Unappropriated Reserves for Grants	A-26	<u>29,982</u>	<u>44,104</u>
		1,564,231	1,663,715
Reserve for Receivables and Other Assets	A	702,421	690,519
Fund Balance	A-1	<u>1,322,591</u>	<u>1,252,671</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,589,243</u>	<u>\$ 3,606,905</u>

BOROUGH OF DUMONT
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
REVENUES AND OTHER INCOME REALIZED			
Surplus Anticipated	A-2	\$ 805,000	\$ 805,000
Miscellaneous Revenue Anticipated	A-2	2,523,454	2,734,500
Receipts from Delinquent Taxes	A-2	572,735	668,608
Receipts from Current Taxes	A-2	50,908,783	49,193,855
Non-Budget Revenues	A-2	199,255	180,501
Other Credits to Income			
Interfunds Returned	A-1		2,554
Unexpended Balance of Appropriation Reserves	A-16	176,547	273,727
Statutory Excess - Animal Control Fund	B-6	4,761	6,579
Cancellations	A-18	<u>6,900</u>	<u>761</u>
Total Revenues		<u>55,197,435</u>	<u>53,866,085</u>
EXPENDITURES			
Municipal Budget	A-3	17,953,123	17,662,951
County Taxes	A-24	4,441,522	4,530,850
Local District School Taxes	A-23	31,899,943	30,762,300
Interfund Advance	A	640	7,044
Refund of Prior Year Revenues	A-4	<u>27,287</u>	<u>12,867</u>
Total Expenditures		<u>54,322,515</u>	<u>52,976,012</u>
Excess in Revenues		874,920	890,073
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-14	<u>-</u>	<u>7,818</u>
Statutory Excess to Fund Balance		874,920	897,891
Fund Balance, January 1	A	<u>1,252,671</u>	<u>1,159,780</u>
		2,127,591	2,057,671
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>805,000</u>	<u>805,000</u>
Fund Balance, December 31	A	<u>\$ 1,322,591</u>	<u>\$ 1,252,671</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF DUMONT
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Reference	Budget	Anticipated Special N.J.S. 40A:4-87	Realized in 2010	Excess or (Deficit)
Fund Balance Utilized	A-1	\$ 805,000	-	\$ 805,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-12	8,500		12,627	\$ 4,127
Other	A-2,A-12	3,800		5,388	1,588
Fees and Permits					
Construction Code Official	A-12	198,000		159,582	(38,418)
Recreation Fees	A-12	62,394		55,742	(6,652)
Other	A-2, A-12	50,000		60,901	10,901
Fines and Costs - Municipal Court	A-12	150,000		176,618	26,618
Interest on Costs on Taxes	A-12	105,000		82,940	(22,060)
Interest on Investments and Deposits	A-2,A-12	29,000		14,949	(14,051)
Fire Inspections - Additional	A-12	15,000		15,000	
Consolidated Municipal Property Tax Relief Aid	A-12	81,332		200,033	118,701
Energy Receipts Tax	A-12	1,281,587		1,155,219	(126,368)
Interlocal Agreement - Court Administrator - 2009	A-12	2,819		2,819	
Drunk Driving Enforcement Fund	A-25	1,935		1,935	
Clean Community	A-25	24,454		24,454	
Recycling Tonnage	A-25	17,715		17,715	
Bergen County - Flu Vaccine	A-26		\$ 3,619	3,619	
Reserve for Sale of Assets	A-19	21,080		21,080	
Reserve for Revaluation	A-19	61,279		61,279	
Other Trust Fund Reserves - Police Outside Svcs.	B-8	130,852		130,852	
Health Benefit Contributions	A-12	50,000		37,963	(12,037)
Life Hazard Use Fees	A-12	11,851		10,484	(1,367)
Sale of Recyclables	A-12	40,000		49,814	9,814
PILOT - Senior Citizen Club	A-12	30,286		33,227	2,941
Cable Television Franchise Fees	A-12	189,214	-	189,214	-
Total Miscellaneous Revenues		2,566,098	3,619	2,523,454	(46,263)
Receipts from Delinquent Taxes	A-8	550,000	-	572,735	22,735
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	15,153,663	-	15,602,318	448,655
Total General Revenues	A-3	\$ 19,074,761	\$ 3,619	19,503,507	\$ 425,127
Non-Budget Revenues	A-2			199,255	
				<u>\$ 19,702,762</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF DUMONT
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)

	<u>Reference</u>	
Analysis of Realized Revenues		
Allocation of Current Tax Collections		
Revenues from Collections	A-1,A-8	\$ 50,908,783
Less: Allocation to School and County Taxes	A-23,A-24	<u>36,341,465</u>
		14,567,318
Balance for Support of Municipal Budget Appropriation		
Add Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>1,035,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 15,602,318</u>
Licenses-Other		
Borough Clerk	A-12	\$ 5,091
Board of Health	A-12	<u>297</u>
	A-2	<u>\$ 5,388</u>
Fees and Permits-Other		
Borough Clerk	A-12	\$ 10,450
Police	A-12	2,601
Planning and Zoning	A-12	2,385
Fire Prevention	A-12	25,800
Board of Health	A-12	<u>19,665</u>
	A-2	<u>\$ 60,901</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-12	\$ 14,528
Due from General Capital Fund	C-8	111
Due from Animal Control Fund	B-5	5
Due from Other Trust Fund	B-2	304
Due from Public Assistance Trust Fund	D-5	<u>1</u>
	A-2	<u>\$ 14,949</u>

BOROUGH OF DUMONT
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)

Analysis of Non-Budget Revenue	
Pilot Swim Club	\$ 10,328
AT&T Tower Rental	26,217
Shopping Carts	250
Miscellaneous	11,278
Accrued Interest on Bonds	5,178
Admin Fee - Srs. And Veterans	4,151
Division of Motor Vehicles	4,140
Insurance Reimbursement	3,125
Metro PCS Monopole Rental	27,638
6% Penalty	14,325
Reimbursement of Costs - Library	32,472
Demarest Tree Services	412
Workers Comp - Library 2009	4,194
Film Shooting Permit Fees	675
Bergen County Polling Reimbursement	220
Reimbursement from Library	<u>54,652</u>
	<u>\$ 199,255</u>

BOROUGH OF DUMONT
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2010 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS					
General Administration					
Salaries and Wages	\$ 295,686	\$ 300,689	\$ 300,418	\$ 271	
Other Expenses	67,165	66,165	64,354	1,811	
Postage	17,000	17,699	17,699		
Ethics Board					
Salaries and Wages	540	270	270		
Other Expenses	2,850	2,850	2,518	332	
Codification of Ordinances	9,500	9,500	2,847	6,653	
Elections					
Other Expenses	16,055	16,055	14,739	1,316	
Financial Administration					
Salaries and Wages	137,694	137,694	137,693	1	
Other Expenses	104,550	124,550	85,394	39,156	
Assessment of Taxes					
Salaries and Wages	24,581	19,581	19,581		
Other Expenses	4,132	4,532	4,263	269	
Collection of Taxes					
Salaries and Wages	70,674	70,226	70,226		
Other Expenses	12,877	13,877	13,797	80	
Legal Services and Costs					
Borough Attorney - Other Expenses	71,250	59,250	58,688	562	
Other Expenses	49,400	49,400	38,441	10,959	
Engineering					
Other Expenses	66,500	88,500	86,841	1,659	
Planning Board/Zoning Board					
Salaries and Wages	2,000	1,667	1,500	167	
Other Expenses	14,250	12,650	10,262	2,388	
Insurance					
Unemployment Insurance	44,000	44,000	44,000		
General Liability	305,000	310,181	302,409	7,772	
Workers Compensation	285,346	285,346	285,346		
Employee Group Health	1,467,466	1,467,466	1,467,466		
Rent Leveling Board					
Salaries and Wages	540	450	450		
Other Expenses	2,850	2,850	1,804	1,046	
PUBLIC SAFETY FUNCTIONS					
Fire Department					
Other Expenses	104,032	104,032	97,429	6,603	
Life Hazard Use Fees					
Salaries and Wages	29,958	27,307	27,307		
Other Expenses	6,460	6,460	5,033	1,427	
Aid to Volunteer Fire Companies	36,100	36,100	36,100		
Rental of Fire Houses	28,000	28,000	28,000		
Fire Hydrant Services	171,915	171,915	165,791	6,124	
Police Department					
Salaries and Wages	4,422,880	4,374,558	4,330,348	44,210	
Other Expenses	140,061	140,061	125,765	14,296	
Police Reserve - Other Expenses	2,375	2,375	2,009	366	
Emergency Management	4,750	4,750	1,196	3,554	
Volunteer Ambulance Corp.					
Other Expenses	28,500	26,000	26,000		
Municipal Prosecutor					
Salaries and Wages	7,788	7,788	7,788		
Other Expenses	475	475	475		

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF DUMONT
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2010 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries and Wages	\$ 1,584,934	\$ 1,595,934	\$ 1,594,162	\$ 1,772	
Other Expenses	209,300	216,300	195,603	20,697	
Recycling					
Salaries and Wages	3,650	3,778	3,778		
Garbage and Trash Removal					
Other Expenses	1,314,516	1,314,516	1,249,336	65,180	
Sewer System					
Other Expenses	10,000	10,000	5,691	4,309	
Public Building and Grounds					
Salaries and Wages	104,302	101,535	100,667	868	
Other Expenses	48,070	48,070	40,223	7,847	
Shade Tree					
Other Expenses	46,500	45,967	39,361	6,606	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Board of Health					
Salaries and Wages	16,516	16,516	16,516		
Other Expenses	86,840	89,340	89,216	124	
Other Expenses-Contractual (Animal Shelter)	28,176	27,676	27,305	371	
Hepatitis Program	3,000	1,000	565	435	
Environmental Commission					
Other Expenses	950	950	452	498	
Administration of Public Assistance					
Salaries and Wages	8,112	5,461	5,461		
Other Expenses	1,187	1,187	29	1,158	
Aid to Community Center for Mental Health	9,000	9,000	8,000	1,000	
PARKS AND RECREATION FUNCTIONS					
Senior Citizens					
Salaries and Wages	64,578	64,587	64,587		
Other Expenses	19,950	19,950	13,554	6,396	
Parks and Playgrounds					
Salaries and Wages	128,757	109,768	109,768		
Other Expenses	58,140	58,140	58,140		
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	30,000	30,000	24,825	5,175	
MUNICIPAL COURT					
Salaries and Wages	120,168	112,018	112,018		
Other Expenses	7,647	9,347	8,535	812	
Public Defender (P.L. 1997, C.256)					
Salaries and Wages	4,867	4,867	4,867		
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)					
CODE ENFORCEMENT AND ADMINISTRATION					
Salaries and Wages	175,941	171,125	171,125		
Other Expenses	14,321	14,321	13,086	1,235	

BOROUGH OF DUMONT
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2010 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS WITHIN "CAPS" (Cont'd)					
UNCLASSIFIED					
Utilities					
Gasoline	\$ 120,011	\$ 148,011	\$ 134,431	\$ 13,580	
Electricity	180,000	205,000	184,019	20,981	
Telephone	58,000	51,000	48,643	2,357	
Street Lighting	195,000	189,000	176,235	12,765	
Water	14,000	22,000	16,710	5,290	-
Total Operations Within "CAPS"	<u>12,721,633</u>	<u>12,731,633</u>	<u>12,401,155</u>	<u>330,478</u>	<u>-</u>
Detail:					
Salaries and Wages	7,204,166	7,125,549	7,078,260	47,289	-
Other Expenses	<u>5,517,467</u>	<u>5,606,084</u>	<u>5,322,895</u>	<u>283,189</u>	<u>-</u>
DEFERRED CHARGES AND REGULATORY EXPENDITURES-MUNICIPAL-WITHIN "CAPS"					
Contribution to:					
Social Security System (O.A.S.I.)	320,000	310,000	306,134	3,866	
Public Employees' Retirement System	244,969	244,969	244,969		
Police and Firemen's Retirement Fund of NJ	<u>759,444</u>	<u>759,444</u>	<u>759,444</u>	<u>-</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Within "CAPS"	<u>1,324,413</u>	<u>1,314,413</u>	<u>1,310,547</u>	<u>3,866</u>	<u>-</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>14,046,046</u>	<u>14,046,046</u>	<u>13,711,702</u>	<u>334,344</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
UTILITY EXPENSES AND BULK PURCHASES					
Bergen County Utilities Authority-Contractual	1,516,204	1,516,204	1,516,204		
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	752,224	752,224	752,224		
GENERAL GOVERNMENT FUNCTIONS					
Reserve for Tax Appeals	40,000	40,000	40,000		
PUBLIC SAFETY FUNCTIONS					
Length of Service Awards Program (LOSAP)	70,000	70,000		70,000	
INSURANCE					
Employee Group Health	49,434	49,434	17,981	31,453	
STATUTORY EXPENDITURES					
Police and Fireman's Retirement System of NJ	17,257	17,257	17,257		
Public Employees' Retirement System	26,455	26,455	26,455		
Storm Related Expenses - State of Emergency	<u>30,000</u>	<u>30,000</u>	<u>6,350</u>	<u>23,650</u>	<u>-</u>
Total Other Operations - Excluded from "CAPS"	<u>2,501,574</u>	<u>2,501,574</u>	<u>2,376,471</u>	<u>125,103</u>	<u>-</u>

BOROUGH OF DUMONT
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>	<u>Budget After</u>	<u>Expended</u>		
	<u>2010 Budget</u>	<u>Modification</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Cancelled</u>
			<u>Charged</u>		
OPERATIONS - EXCLUDED FROM "CAPS" (Cont'd)					
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Borough of Demarest - Court Administration	\$ 2,819	\$ 2,819	\$ 2,819	-	-
Total Interlocal Municipal Service Agreements	2,819	2,819	2,819	-	-
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
FEDERAL AND STATE GRANTS					
Drunk Driving Enforcement Fund - State Share	1,935	1,935		\$ 1,935	
Clean Communities Grant					
State Share	24,454	24,454	17,543	6,911	
Bergen County					
Flu Vaccine	3,619	3,619	3,594	25	
Recycling Tonnage Grant					
Other Expenses	17,715	17,715	-	17,715	-
Total Public and Private Programs Offset by Revenues	47,723	47,723	21,137	26,586	-
Total Operations Excluded from "CAPS"	2,552,116	2,552,116	2,400,427	151,689	-
Detail:					
Salaries and Wages	2,819	2,819	2,819	-	-
Other Expenses	2,549,297	2,549,297	2,397,608	151,689	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	80,000	81,252	81,252	-	-
Total Capital Improvements - Excluded from "CAPS"	80,000	81,252	81,252	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	490,000	490,000	490,000		
Payment of Bond Anticipation Note Principal	307,911	276,762	197,585		\$ 79,177
Interest on Bonds	146,004	146,004	146,003		1
Interest on Notes	93,626	123,523	116,111		7,412
Green Trust					
Loan Repayments for Principal and Interest	7,027	7,027	7,027		
Loan Repayments for Principal and Interest - Multi-Parks	12,437	12,437	12,437		
Bergen County Improvement Authority -					
Loan Repayment	65,321	65,321	65,321		
NJEIT Loan Principal	143,731	143,731	143,730		1
NJEIT Loan Interest	62,343	62,343	58,677	-	3,666
Total Municipal Debt Service - Excluded from "CAPS"	1,328,400	1,327,148	1,236,891	-	90,257

BOROUGH OF DUMONT
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>		<u>Expended</u>		
	<u>2010 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
DEFERRED CHARGES					
Emergency Authorizations	\$ 7,818	\$ 7,818	\$ 7,818		
Special Emergency Authorizations - 5 yrs. (N.J.S. 40A:4-55)	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	-	-
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>36,818</u>	<u>36,818</u>	<u>36,818</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,997,334</u>	<u>3,997,334</u>	<u>3,755,388</u>	<u>\$ 151,689</u>	<u>\$ 90,257</u>
Subtotal General Appropriations	18,043,380	18,043,380	17,467,090	486,033	90,257
RESERVE FOR UNCOLLECTED TAXES	<u>1,035,000</u>	<u>1,035,000</u>	<u>1,035,000</u>	-	-
Total General Appropriations	<u>\$ 19,078,380</u>	<u>\$ 19,078,380</u>	<u>\$ 18,502,090</u>	<u>\$ 486,033</u>	<u>\$ 90,257</u>
	<u>Reference</u>	<u>A-2</u>		<u>A</u>	
Adopted Budget	A-2	\$ 19,074,761			
Chapter 159 - N.J.S.A. 40A:4-87	A-2	<u>3,619</u>			
		<u>\$ 19,078,380</u>			
Cash Disbursements (net)	A-4		\$ 16,921,153		
Encumbrances Payable	A-17		425,119		
Emergency Authorization	A-14		7,818		
Due to Unemployment Trust Fund	B-7		44,000		
Special Emergency Authorizations	A-13		29,000		
Reserve for Tax Appeals	A-19		40,000		
Reserve for Uncollected Taxes	A-2		<u>1,035,000</u>		
			<u>\$ 18,502,090</u>		

BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
Animal Control Fund			
Cash	B-1	\$ 16,079	\$ 18,097
		<u>16,079</u>	<u>18,097</u>
Other Trust Fund			
Cash	B-1	<u>408,785</u>	<u>498,878</u>
		<u>408,785</u>	<u>498,878</u>
Unemployment Insurance Trust Fund			
Cash	B-1	37,312	30,855
Due from Payroll Service Provider	B-12	<u>740</u>	<u>895</u>
		<u>38,052</u>	<u>31,750</u>
Length of Service Award Program Fund (Unaudited)			
Investment	B	660,655	550,852
Contribution Receivable	B	<u>53,800</u>	<u>55,200</u>
		<u>714,455</u>	<u>606,052</u>
Total Assets		<u>\$ 1,177,371</u>	<u>\$ 1,154,777</u>

BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2008</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Fund			
Due to State of New Jersey	B-4	\$ 146	\$ 89
Due to Current Fund	B-5	4,761	6,576
Reserve for Animal Control Expenditures	B-3	<u>11,172</u>	<u>11,432</u>
		<u>16,079</u>	<u>18,097</u>
Other Trust Fund			
Reserve for Developers Escrow	B-6	74,582	118,744
Miscellaneous Reserves	B-8	256,956	313,862
Payroll Deductions Payable	B-9	67,618	57,778
Due to Current Fund	B-2	<u>9,629</u>	<u>8,494</u>
		<u>408,785</u>	<u>498,878</u>
Unemployment Insurance Trust Fund			
Due to State of New Jersey	B-10	9,441	3,276
Reserve for Unemployment Insurance Expenditures	B-7	<u>28,611</u>	<u>28,474</u>
		<u>38,052</u>	<u>31,750</u>
Length of Service Award Program Fund (Unaudited)			
Reserve for Length of Service Award Program	B	<u>714,455</u>	<u>606,052</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,177,371</u>	<u>\$ 1,154,777</u>

**BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
Cash	C-2, C-3	\$ 1,270,004	\$ 807,079
Grants Receivable	C-6	293,175	651,984
Environmental Infrastructure Trust Loans Receivable	C-7	3,815,000	
Deferred Charges to Future Taxation			
Funded	C-4	19,827,826	8,150,060
Unfunded	C-5	2,800,148	13,674,988
Cancelled Receivables	C-9	185,747	-
Total Assets		<u>\$ 28,191,900</u>	<u>\$ 23,284,111</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes	C-13	\$ 910,000	\$ 8,428,206
General Serial Bonds	C-11	11,938,000	3,898,000
Pension Obligation Lease Payable	C-12	907,000	925,000
Green Acres Trust Fund Loan Payable	C-16	186,351	201,854
Environmental Infrastructure Trust Loan Payable	C-17	6,796,475	3,125,206
Improvement Authorizations			
Funded	C-14	4,189,531	184,703
Unfunded	C-14	1,624,359	5,487,929
Contracts Payable	C-15	1,506,734	923,515
Due to Current Fund	C-8	1,337	17
Capital Improvement Fund	C-18		6,698
Reserve for Payment of Debt	C-10	21,718	
Fund Balance	C-1	110,395	102,983
Total Liabilities, Reserves and Fund Balance		<u>\$ 28,191,900</u>	<u>\$ 23,284,111</u>

There were bonds and notes authorized but not issued of \$1,890,148 and \$5,246,782 at December 31, 2010 and 2009, respectively (Exhibit C-19).

BOROUGH OF DUMONT
COMPARATIVE STATEMENTS OF FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Balance, January 1	C	\$ 102,983	\$ 44,654
Increased by:			
Improvement Authorizations Cancelled	C-14	6,464	-
Premium on Bond Anticipation Notes	C-8	<u>948</u>	<u>58,329</u>
Balance, December 31	C	<u>\$ 110,395</u>	<u>\$ 102,983</u>

**BOROUGH OF DUMONT
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2010 AND 2009**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
ASSETS			
Cash - PATF I	D-1	\$ <u>7,731</u>	\$ <u>7,435</u>
		\$ <u>7,731</u>	\$ <u>7,435</u>
LIABILITIES			
Due to Current Fund	D-5	\$ 1	\$ 1
Reserve for Goodwill	D-2	<u>7,730</u>	<u>7,434</u>
		\$ <u>7,731</u>	\$ <u>7,435</u>

**BOROUGH OF DUMONT
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ASSETS		
Land and Land Improvements	\$ 3,093,893	\$ 3,093,893
Buildings and Building Improvements	4,179,516	4,162,564
Vehicles and Equipment	<u>6,277,706</u>	<u>6,111,184</u>
	<u>\$ 13,551,115</u>	<u>\$ 13,367,641</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 13,551,115</u>	<u>\$ 13,367,641</u>

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NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Dumont have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

A. Reporting Entity

The Borough of Dumont (the "Borough") was incorporated in 1894 and operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department or volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds - These funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

Animal Control Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough. The Borough's infrastructure is not reported in the account group.

The Borough of Dumont follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Grant and Similar Award Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Budgets and Budgetary Accounting (Continued)

The Borough is not required to adopt budgets for the following funds:

Trust Funds
General Capital Fund
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2010 and 2009 the Borough Council increased the original budget by \$3,619 and \$11,818. The increases were funded by additional aid allotted to the Borough and emergency appropriations authorized by the Borough Council. In addition, the governing body approved several budget transfers during 2010 and 2009.

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

Appropriation Reserves – Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Dumont has developed a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

Fixed Assets purchased after December 31, 2008 are stated as cost.

Fixed Assets purchased prior to December 31, 2008 are stated as follows:

Land	Estimated Historical Cost
Buildings	Assessed Value and/or Cost
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

General Fixed Assets (Continued)

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications - Certain reclassifications have been made to the December 31, 2009 balances to conform to the December 31, 2010 presentation.

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

NOTE 2 DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2010 and 2009, the book value of the Borough's deposits were \$4,550,260 and \$4,122,153 and bank and brokerage firm balances of the Borough's deposits amounted to \$4,935,597 and \$4,487,775, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2010</u>	<u>2009</u>
Insured	\$ 4,935,597	\$ 4,487,775

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2010 and 2009, the Borough's bank deposits were not exposed to custodial credit risk.

Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2010 and 2009, the Borough had the following investments:

	<u>Fair and Book Value</u>	
	<u>2010</u>	<u>2009</u>
Investment in Lincoln Financial (LOSAP)	\$ 660,655	\$ 550,852

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2010 and 2009, \$660,655 and \$550,852 of the Borough's investments was exposed to custodial credit risk as follows:

	<u>2010</u>	<u>2009</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust		
department but not in the Borough's name	\$ 660,655	\$ 550,852

Interest Rate Risk – The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The fair value of the above-listed investments were based on quoted market prices.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

NOTE 3 TAXES RECEIVABLE

Receivables at December 31, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
<u>Current</u>		
Property Taxes	\$ 575,458	\$ 572,736
Tax Title Liens	3,022	2,401
	<u>\$ 578,480</u>	<u>\$ 575,137</u>

In 2010 and 2009, the Borough collected \$572,735 and \$668,608 from delinquent taxes, which represented 99% and 98% of the prior year delinquent taxes receivable balance.

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 4 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for the general capital projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2010</u>	<u>2009</u>
Issued		
General		
Bonds, Notes and Loans	\$ 20,737,826	\$ 16,578,266
Less Funds Temporarily Held to		
Pay Bonds and Notes	<u>21,718</u>	<u>-</u>
	20,716,108	16,578,266
Authorized But Not Issued		
General		
Bonds and Notes	<u>1,890,148</u>	<u>5,246,782</u>
Net Bonds and Notes Issued and Authorized		
But Not Issued	<u>\$ 22,606,256</u>	<u>\$ 21,825,048</u>

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .96% and .91% at December 31, 2010 and 2009, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2010</u>			
General Debt	\$ 22,627,974	\$ 928,718	\$ 21,699,256
School Debt	<u>19,510,000</u>	<u>19,510,000</u>	<u>-</u>
Total	<u>\$ 42,137,974</u>	<u>\$ 20,438,718</u>	<u>\$ 21,699,256</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2009</u>			
General Debt	\$ 21,825,048	\$ 925,000	\$ 20,900,048
School Debt	<u>20,295,000</u>	<u>20,295,000</u>	<u>-</u>
Total	<u>\$ 42,120,048</u>	<u>\$ 21,220,000</u>	<u>\$ 20,900,048</u>

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 4 MUNICIPAL DEBT (Continued)

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2010</u>	<u>2009</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 78,645,742	\$ 80,379,385
Net Debt	<u>21,699,256</u>	<u>20,900,048</u>
Remaining Borrowing Power	<u>\$ 56,946,486</u>	<u>\$ 59,479,337</u>

Long-Term Debt

The Borough's long-term debt consisted of the following at December 31:

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2010</u>	<u>2009</u>
\$2,973,000, 1999 Bonds, due in annual installments of \$340,000 to \$403,000 through February 13, 2013, interest at 5.05%	\$ 1,103,000	\$ 1,428,000
\$3,250,000, 2003 Bonds, due in annual installments of \$175,000 to \$610,000 through May 1, 2016, interest at 3.25% - 3.55%	2,305,000	2,470,000
\$8,530,000, 2010 Bonds, due in annual installments of \$100,000 to \$1,095,000 through July, 2025, interest at 1.5% - 4.0%	<u>8,530,000</u>	<u>-</u>
	<u>\$ 11,938,000</u>	<u>\$ 3,898,000</u>

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

Intergovernmental Loans Payable

The Borough has entered into loan agreements with the New Jersey Green Trust Fund and the Environmental Infrastructure Trust Fund. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. Intergovernmental loans outstanding at December 31 are as follows:

	<u>2010</u>	<u>2009</u>
Green Acres Trust Fund		
\$124,946, Bonds, due in semi-annual installments of \$3,479 through 2011, interest at 2%	\$ 3,479	\$ 10,333
 \$200,000, Bonds, due in semi-annual installments of \$4,390 to \$6,157 through 2028, interest at 2%	 182,872	 191,521
 Total Green Acres Trust Fund	 \$ 186,351	 \$ 201,854

	<u>2010</u>	<u>2009</u>
Environmental Infrastructure Trust		
\$1,675,000 Trust Loan, due in annual installments of \$65,000 to \$125,000 through 2027, interest at 3.4% to 5.0%	\$ 1,555,000	\$ 1,615,000
 \$1,572,000 Fund Loan, due in semi-annual installments of \$1,681 to \$80,765 through 2027 interest free	 1,426,475	 1,510,206
 \$965,000 Trust Loan, due in annual installments of \$35,000 to \$70,000 through 2029, interest at 3.5% to 5.0%	 965,000	
 \$2,850,000 Fund Loan, due in semi-annual installments of \$50,893 and \$101,786 through 2029, interest free	 2,850,000	 -
 Total Environmental Infrastructure Trust	 6,796,475	 3,125,206
 Total Intergovernmental Loans	 \$ 6,982,826	 \$ 3,327,060

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2010 is as follows:

Calendar Year	General Bonds		Intergovernmental Loans					Total
	Principal	Interest	Environmental Infrastructure		Green Acres			
			Principal	Interest	Principal	Interest		
2011	\$ 615,000	\$ 389,775	\$ 286,782	\$ 110,418	\$ 12,302	\$ 3,649	\$ 1,417,926	
2012	640,000	364,609	335,618	105,768	9,000	3,436	1,458,431	
2013	663,000	338,106	342,384	101,808	9,181	3,255	1,457,734	
2014	680,000	313,943	345,833	97,608	9,366	3,071	1,449,821	
2015	700,000	291,805	352,402	93,088	9,554	2,882	1,449,731	
2016-2020	3,860,000	1,180,453	1,844,577	375,340	50,730	11,454	7,322,554	
2021-2025	4,780,000	567,900	1,998,027	214,740	56,037	6,146	7,622,850	
2027-2029	-	-	1,290,852	43,101	30,181	912	1,365,046	
Total	\$ 11,938,000	\$ 3,446,591	\$ 6,796,475	\$ 1,141,871	\$ 186,351	\$ 34,805	\$ 23,544,093	

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years 2010 and 2009 were as follows:

	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>	Due Within <u>One Year</u>
2010					
General Capital Fund					
Bonds Payable	\$ 3,898,000	\$ 8,530,000	\$ 490,000	\$ 11,938,000	\$ 615,000
Intergovernmental Loans Payable	<u>3,327,060</u>	<u>3,815,000</u>	<u>159,234</u>	<u>6,982,826</u>	<u>299,084</u>
General Capital Fund Long-Term Liabilities	<u>\$ 7,225,060</u>	<u>\$ 12,345,000</u>	<u>\$ 649,234</u>	<u>\$ 18,920,826</u>	<u>\$ 914,084</u>

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>	Due Within <u>One Year</u>
<u>2009</u>					
General Capital Fund					
Bonds Payable	\$ 4,358,000		\$ 460,000	\$ 3,898,000	\$ 490,000
Intergovernmental Loans Payable	<u>3,464,052</u>	<u>\$ -</u>	<u>136,992</u>	<u>3,327,060</u>	<u>159,234</u>
General Capital Fund Long-Term Liabilities	<u>\$ 7,822,052</u>	<u>\$ -</u>	<u>\$ 596,992</u>	<u>\$ 7,225,060</u>	<u>\$ 649,234</u>

Short-Term Debt

The Borough's short-term capital debt activity for the years 2010 and 2009 was as follows:

	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Bond Anticipation Notes General Capital Fund	<u>\$ 8,428,206</u>	<u>\$ 910,000</u>	<u>\$ 8,428,206</u>	<u>\$ 910,000</u>

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Bond Anticipation Notes General Capital Fund	<u>\$ 7,466,000</u>	<u>\$ 8,428,206</u>	<u>\$ 7,466,000</u>	<u>\$ 8,428,206</u>

In addition to the debt shown in the above schedule, municipalities may issue debt to meet cash flow needs to temporarily finance operating expenditures. This debt which is not included in the Borough's regulatory debt limit calculation is reported in the Current Fund for the year 2009 as follows:

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Special Emergency Notes	<u>\$ 172,000</u>	<u>\$ -</u>	<u>\$ 172,000</u>	<u>-</u>
	<u>\$ 172,000</u>	<u>\$ -</u>	<u>\$ 172,000</u>	<u>\$ -</u>

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years 2010 and 2009.

	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Land	\$ 3,093,893			\$ 3,093,893
Buildings and Building Improvements	4,162,564	\$ 16,952		4,179,516
Machinery and Equipment	6,111,184	166,522	-	6,277,706
	<u>\$ 13,367,641</u>	<u>\$ 183,474</u>	<u>\$ -</u>	<u>\$ 13,551,115</u>

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Adjustments</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
Land	\$ 3,091,386		\$ 2,507	\$ 3,093,893
Buildings and Building Improvements	5,840,405		(1,677,841)	4,162,564
Machinery and Equipment	5,252,670	-	858,514	6,111,184
	<u>\$ 14,184,461</u>	<u>\$ -</u>	<u>\$ (816,820)</u>	<u>\$ 13,367,641</u>

NOTE 6 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2010</u>		<u>2009</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 15,728		\$ 15,088	
Animal Control Fund		\$ 4,761		\$ 6,576
Other Trust Fund		9,629		8,494
General Capital Fund		1,337		17
Public Assistance Fund	-	1	-	1
	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total	<u>\$ 15,728</u>	<u>\$ 15,728</u>	<u>\$ 15,088</u>	<u>\$ 15,088</u>

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 6 DUE TO/FROM OTHER FUNDS

The interfund balances are the result of expenditures being paid by one fund on behalf of another, revenues earned in one fund but owing to another fund and/or to cover cash balances which were in an overdraft position.

The Borough expects all interfund balances to be liquidated within one year.

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balance in the Current Fund is comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance December 31, <u>2009</u>	Utilized in Subsequent Year's Budget	Fund Balance December 31, <u>2010</u>	Utilized in Subsequent Year's Budget	
Current Fund					
Cash Surplus	\$ 1,096,094	\$ 805,000	\$ 1,246,118	\$ 805,000	(A)
Non-Cash Surplus	<u>156,577</u>	<u>-</u>	<u>76,473</u>	<u>-</u>	
	<u>\$ 1,252,671</u>	<u>\$ 805,000</u>	<u>\$ 1,322,591</u>	<u>\$ 805,000</u>	

(A) The above fund balance represents the surplus anticipated in the 2011 introduced municipal budget. The 2011 municipal budget has not been legally adopted as of the date of audit.

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	<u>Balance</u>
<u>2010</u>			
Current Fund			
Special Emergency Authorization (40A:4-55)	\$ 14,000	\$ 14,000	\$ -
	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ -</u>
	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	<u>Balance</u>
<u>2009</u>			
Current Fund			
Emergency Authorization	\$ 7,818	\$ 7,818	
Special Emergency Authorization (40A:4-55)	<u>43,000</u>	<u>29,000</u>	<u>\$ 14,000</u>
	<u>\$ 50,818</u>	<u>\$ 36,818</u>	<u>\$ 14,000</u>

NOTE 9 COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Borough, employees are allowed to accrue unused vacation benefits, personal, sick leave which may be taken as time off or paid upon retirement at an agreed upon rate.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$2,363,959 and \$2,128,000 at December 31, 2010 and 2009, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Consolidated Police and Firemen's Pension fund (CPFPPF) – established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pension.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

P.L. 2010, c.1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

This new legislation changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from this plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 72.1 percent and \$15.1 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems except CPFPPF; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 5.50% for PERS and 8.50% for PFRS of employees' annual compensation.

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made.

During the years ended December 31, 2010, 2009 and 2008, the Borough was required to contribute for normal cost pension contributions the following amounts which equaled the required contributions for each year:

<u>Year Ending</u> <u>December 31,</u>	<u>CPFPF</u>	<u>PFRS</u>	<u>PERS</u>
2010		\$ 776,701	\$ 271,424
2009		733,762	236,685
2008	\$ 18,019	659,569	189,570

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teachers Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as a Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

Health Benefits Program Fund (HBPF) – Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Health Benefits Program Fund (HBPF) – Local Government (Continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$20.5 billion for state active and retired members and \$36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Methods and Assumptions

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$97.6 million for 7,667 eligible retired members for Fiscal Year 2010.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$28.8 million in Fiscal Year 2010 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2010, 2009 and 2008 were \$309,888, \$288,756 and \$269,990, respectively, which equaled the required contribution. In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2010, 2009 and 2008 were \$3,436, \$3,436 and \$3,436, respectively.

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 12 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Dumont is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The BJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's Unemployment Compensation Trust Fund for the current and previous two years:

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2010	\$ 44,000	\$ 9,733	\$ 53,621	\$ 28,611
2009	30,000	10,016	43,021	28,474
2008	30,000	11,464	30,806	31,455

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 13 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. The Borough settled a lawsuit in 2009 with a former employee for \$530,000. The Borough's uninsured exposure as negotiated with the Bergen Municipal Excess Liability Fund (the "MEL") was \$165,000. This settlement is payable to the MEL over six years with a \$30,000 payment due in 2010 and annual payments of \$27,000 due in 2011 through 2015.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2010 and 2009. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2010 and 2009, the Borough reserved \$68,553 and \$37,480, respectively, in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2010 and 2009, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2010 and 2009, the Borough had not calculated its arbitrage earnings due to the IRS, if any.

**BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Dumont Length of Service Award Program (the Plan) was created by a Borough ordinance pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Dumont approved the adoption of the Plan at the general election held on November 2, 2001.

The first year of eligibility for entrance into the Plan was calendar year 2002. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Dumont has contributed \$53,800 and \$55,200 for 2010 and 2009, respectively, for eligible volunteer fire department and ambulance corp. members into the Plan.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries. All earnings, dividends and other distributions of the account shall be automatically reinvested.

Lincoln Financial Group is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 16 PENSION OBLIGATION LEASE AGREEMENT

The Borough previously entered into an agreement with the Bergen County Improvement Authority for the retirement for its outstanding unfunded pension liability totaling \$958,000. The following is the schedule of the future minimum lease payments and the present value of the net minimum lease payment at December 31, 2010:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2011	\$ 69,296
2012	72,986
2013	77,359
2014	82,503
2015	87,399
2016-2020	521,190
2021-2023	<u>392,549</u>
Total. Minimum Lease Payments	1,303,282
Less: Amounts Representing Interest	<u>396,282</u>
Present Value of Net Minimum Lease Payments	<u>\$ 907,000</u>

NOTE 17 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

	<u>Commitment</u>	<u>Estimated</u> <u>Date of</u> <u>Completion</u>
<u>2010</u>		
Capital Project		
Acquisition of Fire Pumper	\$ 499,780	2011
Computers - Police	40,877	2011
Fire Gear	25,000	2011
Library and Senior Center Handicap Access	139,075	2011
Improvements to Short Street	133,845	2011
Improvements to Bussell Court	61,968	2011
Storm Sewer/Drainage Improvements	369,304	2011
Park Improvements	24,575	2011

BOROUGH OF DUMONT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 17 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

	<u>Commitment</u>	<u>Estimated Date of Completion</u>
<u>2009</u>		
Capital Project		
Reconstruction of Bussell Ct.	\$ 50,628	2010
Various General Improvements		
Police Communications	82,746	2010
Fire Department Turnout Gear	25,000	2010
Fire Department Generator	31,935	2010
Library Improvements	15,000	2010
Reconstruction of Short Street	26,500	2010
Park Improvements	33,840	2010
Various Storm Sewer Impvts.	193,179	2010
Resurfacing of Howard Street	197,149	2010
Park Improvements	46,115	2010

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CURRENT FUND

BOROUGH OF DUMONT
STATEMENT OF CASH AND INVESTMENTS - COLLECTOR-TREASURER

Balance, December 31, 2009		\$ 2,759,309
Increased by Receipts:		
Taxes Receivable	\$ 51,134,178	
Revenue Accounts Receivable	2,262,099	
Non Budget Revenue	199,255	
Prepaid Taxes	124,885	
Grants Receivable	3,750	
Petty Cash Returned	250	
General Capital Receipts Deposited in Current Fund	948	
Receipts from General Capital Fund	303,698	
Receipts from Other Trust Fund	130,021	
Receipts from Animal Control Fund	6,581	
Receipts from Community Development Trust	38,036	
Unappropriated Reserves for Grants	29,982	
Miscellaneous Reserves	984,332	
Tax Overpayments	33,405	
Senior Citizens' and Veterans' Deductions	207,527	
Receipts from Public Assistance Trust Fund	<u>1</u>	
		<u>55,458,948</u>
		58,218,257
Decreased by Disbursements:		
2010 Appropriations	16,921,153	
2009 Appropriation Reserves	231,344	
Encumbrances Payable	563,769	
Tax Overpayments	6,850	
County Taxes	4,439,513	
Local District School Taxes	31,899,933	
Other Liabilities	4,737	
Refund of Prior Year Revenue	27,287	
Appropriated Grant Reserves	12,888	
General Capital Fund Expenditures Paid by Current Fund	1,615	
Miscellaneous Reserves	954,448	
Payments to General Capital Fund	300,621	
Payments to Unemployment Trust Fund	<u>44,000</u>	
		<u>55,408,158</u>
Balance, December 31, 2010		<u>\$ 2,810,099</u>

EXHIBIT A-5

**BOROUGH OF DUMONT
STATEMENT OF PETTY CASH FUNDS**

<u>Office</u>	Balance, December 31, <u>2009</u>	Petty Cash <u>Returned</u>	Balance, December 31, <u>2010</u>
Tax Collector - Treasurer	\$ 250	\$ 250	\$ -
	<u>\$ 250</u>	<u>\$ 250</u>	<u>\$ -</u>

EXHIBIT A-6

STATEMENT OF CHANGE FUNDS

<u>Office</u>	Balance, December 31, <u>2009</u>	Balance, December 31, <u>2010</u>
Tax Collector - Treasurer	\$ 250	\$ 250
	<u>\$ 250</u>	<u>\$ 250</u>

EXHIBIT A-7

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2009		\$ 10,809
Increased by:		
Deductions Allowed by Tax Collector	\$ 2,750	
Senior Citizens' and Veterans' Deductions Per Tax Billing	<u>208,000</u>	<u>210,750</u>
		221,559
Decreased by:		
Deductions Disallowed by Tax Collector	4,723	
Cash Receipts	<u>207,527</u>	<u>212,250</u>
Balance, December 31, 2010		<u>\$ 9,309</u>

BOROUGH OF DUMONT
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance, December 31, 2009	2010 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	2009	Collections 2010	Senior Citizens' and Veterans' Deductions Allowed	Tax Overpayment Applied	Taxes Cancelled or Remitted or Abated	Transferred to Tax Title Lien	Balance, December 31, 2010
2009	\$ 572,736		\$ 85,848	\$ 4,723	\$ 136,367	\$ 572,735	\$ 210,750	\$ 4,946	\$ 103,715	\$ 621	\$ 575,458
2010	-	\$ 51,502,729	\$ 51,502,729			50,561,443					
	\$ 572,736	\$ 51,502,729	\$ 85,848	\$ 4,723	\$ 136,367	\$ 51,134,178	\$ 210,750	\$ 4,946	\$ 103,716	\$ 621	\$ 575,458

Analysis of 2010 Property Tax Levy

TAX YIELD											
General Property Tax											
Real Property Tax						\$ 51,502,729					
Added Taxes (54:4-63.1 et seq.)						85,848					\$ 51,588,577
TAX LEVY											
Local School Tax (Abstract)						\$ 31,899,943					
County Taxes (Abstract)					\$ 4,377,478						
County Open Space (Abstract)					56,620						
Due County for Added Taxes (54:4-63.1)					7,424						
						4,441,522					
Local Tax for Municipal Purposes					15,153,663						
Add Additional Tax Levied					93,449						
						15,247,112					\$ 51,588,577

**BOROUGH OF DUMONT
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2009	\$ 2,401
Increased by:	
Transferred from Taxes Receivable	<u>621</u>
Balance, December 31, 2010	<u>\$ 3,022</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2009	<u>\$ 79,526</u>
Balance, December 31, 2010	<u>\$ 79,526</u>

STATEMENT OF OTHER RECEIVABLES

Balance, December 31, 2009	\$ 20,768
Decreased by:	
Cancellation of Prior Year Receivable	<u>18,761</u>
Balance, December 31, 2010	<u>\$ 2,007</u>

BOROUGH OF DUMONT
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2009</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2010</u>
Licenses				
Alcoholic Beverages	\$	12,627	\$	12,627
Board of Health		297		297
Borough Clerk		5,091		5,091
Fees and Permits				
Construction Code Official		159,582	159,582	
Recreation Fees		55,742	55,742	
Board of Health		19,665	19,665	
Borough Clerk		10,450	10,450	
Fire Prevention		25,800	25,800	
Planning and Zoning		2,385	2,385	
Police		2,601	2,601	
Fines and Costs - Municipal Court		192,768	176,618	\$ 16,150
Interest and Cost on Taxes		82,940	82,940	
Interest on Investments and Deposits		14,528	14,528	
Consolidated Municipal Property Tax Relief		200,033	200,033	
Energy Receipts Tax		1,155,219	1,155,219	
Interlocal Agreement - Court Administrator		2,819	2,819	
Health Benefit Contributions		37,963	37,963	
Life Hazard Use Fees		10,484	10,484	
Fire Inspections - Additional		15,000	15,000	
Sale of Recyclables		60,344	49,814	10,530
PILOT - Senior Citizens Club		33,227	33,227	
Cable Television Franchise Fees	-	189,214	189,214	-
	<u>\$ -</u>	<u>\$ 2,288,779</u>	<u>\$ 2,262,099</u>	<u>\$ 26,680</u>

BOROUGH OF DUMONT
STATEMENT OF DEFERRED CHARGES
N.J.S. 40A:4-53 SPECIAL EMERGENCY AUTHORIZATIONS

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net</u> <u>Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>December 31,</u> <u>2009</u>	<u>Budget</u> <u>Appropriation</u>	<u>Balance,</u> <u>December 31,</u> <u>2010</u>
2005	Revaluation of Real Property	\$ 75,000	\$ 15,000	\$ 15,000	\$ 15,000	
2006	Preparation of Master Plan	50,000	10,000	20,000	10,000	\$ 10,000
2006	Codification of Ordinances	20,000	4,000	8,000	4,000	4,000
				<u>\$ 43,000</u>	<u>\$ 29,000</u>	<u>\$ 14,000</u>

EXHIBIT A-14

STATEMENT OF DEFERRED CHARGES

	<u>Balance</u> <u>December 31,</u> <u>2009</u>	<u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>December 31,</u> <u>2010</u>
Emergency Appropriations	<u>\$ 7,818</u>	<u>\$ 7,818</u>	<u>\$ -</u>

EXHIBIT A-15

STATEMENT OF GRANTS RECEIVABLE

	<u>Balance,</u> <u>December 31,</u> <u>2009</u>	<u>Realized as</u> <u>Budget</u> <u>Revenue</u>	<u>Decreased</u> <u>by</u> <u>Receipts</u>	<u>Balance,</u> <u>December 31,</u> <u>2010</u>
Improvements To Veteran's Park	\$ 91,200		\$ 38,036	\$ 53,164
Flu Vaccine Grant		\$ 3,619	3,619	
ANJEC - Shade Tree Grant	<u>3,750</u>	<u>-</u>	<u>3,750</u>	<u>-</u>
	<u>\$ 94,950</u>	<u>\$ 3,619</u>	<u>\$ 45,405</u>	<u>\$ 53,164</u>
Due from General Capital Fund			\$ 3,619	
Due from Community Development Trust			38,036	
Cash Receipts			<u>3,750</u>	
			<u>\$ 45,405</u>	

BOROUGH OF DUMONT
STATEMENT OF 2009 APPROPRIATION RESERVES

	Balance December 31, 2009	Budget After Transfer or Modification	Paid or Charged	Transferred to Grant Reserve	Balance Lapsed
Salaries and Wages					
Planning Board	\$ 667	\$ 667			\$ 667
Police	18,580	26,595	\$ 9,595		17,000
Streets and Roads	3,246	8,246	3,038		5,208
Assessment of Taxes	8,095	8,095	7,952		143
Public Buildings and Grounds		215			215
Fire Life Hazard	1,260	1,260			1,260
Public Assistance	789	-			
Uniform Construction Code Officials	273	273			273
Municipal Court	467	-	-	-	-
	<u>33,377</u>	<u>45,351</u>	<u>20,585</u>	<u>-</u>	<u>24,766</u>
Other Expenses					
General Administration	1,057	4,057	2,235		1,822
Elections	15,000	15,000			15,000
Ethics Board	402	402			402
Financial Administration	54,754	77,254	62,962		14,292
Assessment of Taxes	2,255	2,255	2,255		
Collection of Taxes	68	68			68
Legal - Borough Attorney	9,808	6,808	5,344		1,464
Engineering	14,680	28,680	28,680		
Planning Board	17,569	17,569	17,569		
Fire					
Other Expenses	5,244	5,244	1,510		3,734
Police	9,864	19,864	3,083		16,781
Police Reserve	3,538	3,538			3,538
Emergency Management	472	472			472
Municipal Prosecutor	150				
Streets and Roads	22,705	22,705	11,439		11,266
Garbage and Trash Removal	47,363	34,348	28,767		5,581
Buildings and Grounds	8,004	8,004	2,077		5,927
Sewer System	175	175			175
Shade Tree	21,840	21,840	4,295		17,545
Board of Health					
Other Expenses	423	11,323	11,089		234
Other Expenses-Contractual (Shelter)	5	5			5
Environmental Commission	868	868			868
Public Assistance	50	50			50
Recreation		170			170
Celebration of Public Events	3,555	3,555	949		2,606
Senior Citizens	3,173	3,173			3,173
Uniform Construction Code Officials	10,228	10,228	10,228		
Utilities					
Electricity	17,208	5,208	851		4,357
Street Lighting		15,772	15,772		
Telephone	2,598	2,598	380		2,218
Gasoline	42,607	12,174			12,174
Water	2,774	2,774	2,000		774

BOROUGH OF DUMONT
STATEMENT OF 2009 APPROPRIATION RESERVES

	Balance December 31, <u>2009</u>	Budget After Transfer or <u>Modification</u>	Paid or <u>Charged</u>	Transferred to Grant <u>Reserve</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Social Security	\$ 164	\$ 164			\$ 164
Municipal Court	537	537	\$ 168		369
General Liability	3,855	3,855	572		3,283
Employee Group Health	37,801	8,468			8,468
Bergen County Utilities Auth. - Contractual	1	1			1
LOSAP	14,800	14,800			14,800
Community Dev. - Impr. To Veteran's Plaza	17,643	43,359		\$ 43,359	
Stormwater Drainage	2,247	2,247		2,247	
Drunk Driving Enforcement	686	686		686	
Recycling Tonnage Grant	7,588	7,588		7,588	
Office of Justice Programs	4,671	4,671		4,671	
Clean Communities Grant		10,191		10,191	
ANJEC - Shade Tree Grant	8,252	8,252	8,252		
Green Communities	3,000	3,000		3,000	
Domestic Violence Training Program	500	500	-	500	-
	<u>420,182</u>	<u>444,500</u>	<u>220,477</u>	<u>72,242</u>	<u>151,781</u>
	<u>\$ 453,559</u>	<u>\$ 489,851</u>	<u>\$ 241,062</u>	<u>\$ 72,242</u>	<u>\$ 176,547</u>
2009 Appropriation Reserves		\$ 453,559			
Transfer from Encumbrances Payable		<u>36,292</u>			
		<u>\$ 489,851</u>			
Cash Disbursements			\$ 231,344		
Transfer to Accounts Payable			<u>9,718</u>		
			<u>\$ 241,062</u>		

**BOROUGH OF DUMONT
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2009	\$ 600,061
Increased by:	
Transfer from 2010 Budget Appropriations	<u>425,119</u>
	1,025,180
Decreased by:	
Encumbrances Payables Restored to Appropriation Reserves	\$ 36,292
Cash Disbursements	<u>563,769</u>
	<u>600,061</u>
Balance, December 31, 2010	<u>\$ 425,119</u>

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2009	\$ 6,900
Increased by:	
Transfer from 2009 Budget Appropriations	<u>9,718</u>
	16,618
Decreased by:	
Cancelled	<u>6,900</u>
Balance, December 31, 2010	<u>\$ 9,718</u>

**BOROUGH OF DUMONT
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, 2009	Increased	Disbursed	Revenue Realized	Balance, December 31, 2010
Tax Sale Premium	\$ 186,718	\$ 277,200	\$ 372,418		\$ 91,500
Redemption of Tax Sale Certificates		577,787	559,784		18,003
Revaluation	76,279			\$ 61,279	15,000
Tax Appeals	37,480	40,000	8,927		68,553
Master Plan	6,955				6,955
DCA Fees	1,482	7,657	7,176		1,963
Marriage Licenses	250	1,875	1,800		325
Codification of Ordinances	4,343		4,343		-
Sale of Assets	21,080	17,029	-	21,080	17,029
FEMA Reimbursement	-	102,784	-	-	102,784
	<u>\$ 334,587</u>	<u>\$ 1,024,332</u>	<u>\$ 954,448</u>	<u>\$ 82,359</u>	<u>\$ 322,112</u>
Cash Receipts		\$ 984,332			
Transfer from Budget Appropriations		<u>40,000</u>			
		<u>\$ 1,024,332</u>			

EXHIBIT A-20

STATEMENT OF OTHER LIABILITIES

Balance, December 31, 2009	\$ 7,716
Decreased by:	
Cash Disbursements	<u>4,737</u>
Balance, December 31, 2010	<u>\$ 2,979</u>

**BOROUGH OF DUMONT
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2009	\$ 136,367
Increased by:	
Collection of 2011 Taxes	<u>124,885</u>
	261,252
Decreased by:	
Application to 2010 Taxes	<u>136,367</u>
Balance, December 31, 2010	<u>\$ 124,885</u>

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2009	\$ 250
Increased by:	
Cash Receipts	<u>33,405</u>
	33,655
Decreased by:	
Overpayment Applied in 2010	\$ 4,946
Refunded in 2010	<u>6,850</u>
	<u>11,796</u>
Balance, December 31, 2010	<u>\$ 21,859</u>

STATEMENT OF LOCAL SCHOOL DISTRICT TAX PAYABLE

Balance, December 31, 2009	\$ -
Increased by:	
Levy - Calendar Year	<u>31,899,943</u>
	31,899,943
Decreased by:	
Payments	<u>31,899,933</u>
Balance, December 31, 2010	<u>\$ 10</u>

**BOROUGH OF DUMONT
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2009		\$ 5,415
Increased by:		
2010 Levy	\$ 4,377,478	
2010 County Open Space	56,620	
Added Taxes	<u>7,424</u>	
		<u>4,441,522</u>
		4,446,937
Decreased by:		
Payments		<u>4,439,513</u>
Balance, December 31, 2010		<u>\$ 7,424</u>

EXHIBIT A-25

SCHEDULE OF APPROPRIATED GRANT RESERVES

	Balance, December 31, <u>2009</u>	Transfer from Appropriation <u>Reserves</u>	<u>Expended</u>	Balance, December 31, <u>2010</u>
Clean Communities Grant	\$ 4,029	\$ 10,191	\$ 4,029	\$ 10,191
Domestic Violence	6,105	500		6,605
Alcohol Education and Rehabilitation Fund	2,909			2,909
Obey the Sign or Pay the Fine	4,000			4,000
State Recycling Grant	14,262	7,588		21,850
Stormwater Drainage	12,029	2,247	255	14,021
Drunk Driving Enforcement Fund	7,886	686	3,599	4,973
Body Armor Grant	5,632	4,671	5,005	5,298
OEM Training	1,531			1,531
Recycling Tonnage	5,509			5,509
FEMA	10,864			10,864
CDBG - Veteran's Plaza		43,359		43,359
Green Communities	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
	<u>\$ 74,756</u>	<u>\$ 72,242</u>	<u>\$ 12,888</u>	<u>\$ 134,110</u>

BOROUGH OF DUMONT
STATEMENT OF UNAPPROPRIATED RESERVES FOR GRANTS

	Balance, December 31, <u>2009</u>	Increased by <u>Receipts</u>	Realized as Budget <u>Revenue</u>	Balance, December 31, <u>2010</u>
Clean Communities	\$ 24,454	\$ 25,422	\$ 24,454	\$ 25,422
Drunk Driving Enforcement Fund	1,935		1,935	
Recycling Tonnage	17,715		17,715	
Police Body Armor Fund	<u>-</u>	<u>4,560</u>	<u>-</u>	<u>4,560</u>
	<u>\$ 44,104</u>	<u>\$ 29,982</u>	<u>\$ 44,104</u>	<u>\$ 29,982</u>

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TRUST FUNDS

**BOROUGH OF DUMONT
STATEMENT OF TRUST CASH**

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Unemployment Insurance Trust Fund</u>	<u>Community Development Trust Fund</u>
Balance, December 31, 2009	\$ 18,097	\$ 498,878	\$ 30,855	-
Increased by Receipts:				
Escrow Deposits	\$ 37,476			
Interest on Investments and Deposits	\$ 5	\$ 25		
Miscellaneous Reserves		432,840		\$ 38,036
Grant Receipts	4,501			
License Fees Collected				
Receipts from Animal Control Fund				
Receipts from Unemployment Trust Fund			44,000	
Receipts from Current Fund			9,888	
Receipts from Payroll Service Provider				
Due to State of New Jersey	1,123			
Payroll and Payroll Deductions	-	9,075,100	-	-
	<u>5,629</u>	<u>9,545,720</u>	<u>53,913</u>	<u>\$ 38,036</u>
	23,726	10,044,598	84,768	38,036
Decreased by Disbursements:				
Expenditures Under R.S. 4:19-15.11				
Payment to Current Fund	6,581	130,021		38,036
Payment to General Capital Fund				-
Payment to Other Trust Fund				
Escrow Deposits		81,638		
Payments to State of NJ	1,066	-	47,456	
Payroll and Payroll Deductions Payable		9,065,260		
Miscellaneous Reserves	-	358,894	-	-
	<u>7,647</u>	<u>9,635,813</u>	<u>47,456</u>	<u>38,036</u>
Balance, December 31, 2010	\$ 16,079	\$ 408,785	\$ 37,312	\$ -

**BOROUGH OF DUMONT
STATEMENT OF DUE TO CURRENT FUND - OTHER TRUST FUND**

Balance, December 31, 2009	\$ 8,494
Increased by:	
Anticipated as Current Fund Revenue	\$ 130,852
Interest on Investments and Deposits	<u>304</u>
	<u>131,156</u>
	139,650
Decreased by:	
Payments to Current Fund	<u>130,021</u>
Balance, December 31, 2010	<u>\$ 9,629</u>

EXHIBIT B-3

STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance, December 31, 2009	\$ 11,432
Increased by:	
Animal Control Fees	<u>4,501</u>
	15,933
Decreased by:	
Statutory Excess Due to Current Fund	<u>4,761</u>
Balance, December 31, 2010	<u>\$ 11,172</u>

EXHIBIT B-4

**STATEMENT OF DUE TO STATE OF NEW JERSEY
DOG REGULATION FEES**

Balance, December 31, 2009	\$ 89
Increased by:	
Registration Fees - Due State of New Jersey	<u>1,123</u>
	1,212
Decreased by:	
Payments	<u>1,066</u>
Balance, December 31, 2010	<u>\$ 146</u>

BOROUGH OF DUMONT
STATEMENT OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND

Balance, December 31, 2009		\$ 6,576
Increased by:		
Interest on Investments and Deposits	\$ 5	
Statutory Excess	<u>4,761</u>	
		<u>4,766</u>
		11,342
Decreased by:		
Payments to Current Fund		<u>6,581</u>
Balance, December 31, 2010		<u>\$ 4,761</u>

EXHIBIT B-6

STATEMENT OF ESCROW DEPOSITS

Balance, December 31, 2009		\$ 118,744
Increased by:		
Cash Receipts		<u>37,476</u>
		156,220
Decreased by:		
Cash Disbursements		<u>81,638</u>
Balance, December 31, 2010		<u>\$ 74,582</u>

EXHIBIT B-7

STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE EXPENDITURES

Balance, December 31, 2009		\$ 28,474
Increased by:		
Payroll Deductions	\$ 9,733	
Interest on Investments and Deposits	25	
Current Fund Budget Appropriation	<u>44,000</u>	
		<u>53,758</u>
		82,232
Decreased by:		
Unemployment Claims		<u>53,621</u>
Balance, December 31, 2010		<u>\$ 28,611</u>

**BOROUGH OF DUMONT
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2009</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2010</u>
Fire Prevention Fees	\$ 5,029	\$ 4,300	\$ 2,705	\$ 6,624
Recreation Commission	92,836	264,515	233,529	123,822
Tax Sale Premiums	200			200
Sidewalks	3,718	1,000	500	4,218
Maintenance Bond	53,358	17,226	8,768	61,816
POAA	2,567	584		3,151
Drug and Alcohol	19,233	26,636	18,146	27,723
Police Outside Services	134,794	118,229	226,098	26,925
Police Donations	426			426
Shade Tree	1,191	350		1,541
Teen Center	510	-	-	510
	<u>\$ 313,862</u>	<u>\$ 432,840</u>	<u>\$ 489,746</u>	<u>\$ 256,956</u>
Realized as Current Fund Revenue			\$ 130,852	
Cash Disbursements			<u>358,894</u>	
			<u>\$ 489,746</u>	

EXHIBIT B-9

STATEMENT OF RESERVE FOR PAYROLL AND PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2009	\$ 57,778
Increased by:	
Cash Receipts	<u>9,075,100</u>
	9,132,878
Decreased by:	
Cash Disbursements	<u>9,065,260</u>
Balance, December 31, 2010	<u>\$ 67,618</u>

EXHIBIT B-10

STATEMENT OF DUE TO STATE OF NEW JERSEY UNEMPLOYMENT INSURANCE FUND

Balance, December 31, 2009	\$ 3,276
Increased by:	
Unemployment Claims Due to State	<u>53,621</u>
	56,897
Decreased by:	
Unemployment Claims Paid by:	
Unemployment Insurance Account	<u>47,456</u>
Balance, December 31, 2010	<u>\$ 9,441</u>

**BOROUGH OF DUMONT
STATEMENT OF DUE (TO)/FROM CURRENT FUND
COMMUNITY DEVELOPMENT TRUST FUND**

Increased by:	
Grant Receipts	\$ 38,036
Decreased by:	
Payments to Current Fund	<u>38,036</u>
Balance, December 31, 2010	<u>\$ -</u>

STATEMENT OF DUE FROM PAYROLL SERVICE PROVIDER

Balance, December 31, 2009	\$ 895
Increased by:	
Payroll Deductions Transferred to Payroll Service Provider	<u>9,733</u>
	10,628
Decreased by:	
Cash Receipts from Payroll Service Provider	<u>9,888</u>
Balance, December 31, 2010	<u>\$ 740</u>

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GENERAL CAPITAL FUND

BOROUGH OF DUMONT
STATEMENT OF GENERAL CAPITAL CASH - COLLECTOR-TREASURER

Balance, December 31, 2009		\$ 807,079
Increased by Receipts:		
Budget Appropriation - Capital Improvement Fund	\$ 81,252	
Grants Receivable	346,456	
Bond Anticipation Notes Issued	1,052,500	
Current Fund Receipts Deposited in General Capital Fund	3,619	
Interest on Investments and Deposits	111	
Receipts from Current Fund	300,621	
Serial Bonds Issued	<u>8,530,000</u>	
		<u>10,314,559</u>
		11,121,638
Decreased by:		
Improvement Authorizations	397,444	
Contracts Payable	777,371	
Payments to Current Fund	303,698	
Bond Anticipation Notes	<u>8,373,121</u>	
		<u>9,851,634</u>
Balance, December 31, 2010		<u>\$ 1,270,004</u>

**BOROUGH OF DUMONT
ANALYSIS OF GENERAL CAPITAL CASH
AS OF DECEMBER 31, 2010**

Fund Balance	\$ 110,395
Contracts Payable	1,506,734
Grants Receivable	(293,175)
Loan Receivable	(3,815,000)
Deferred Charges to Future Taxation - Cancelled Receivables	(185,747)
Reserve for Payment of Debt	21,718
Due To Current Fund	1,337

Improvement Authorizations:

<u>Ord. No.</u>	<u>Improvement Description</u>	
1192	Rehab. And Replace Boiler	(500)
1250	Impvts of Various Parks and Acq. Of Equipment	(4,908)
1260	Various Public Improvements	(1,690)
1292/1315	Repaving of Roads	8,365
1299/1320	Various Public Improvements	983
1321	Acquisition of Street Sweeper	14,825
1323	Reconstruction of Pershing Ave	168,670
1344/1375/1407	Various Storm Sewer Improvements	3,437,458
1349	2007 Road Program	104,305
1353	Acquisition of a Fire Truck	12,528
1363	Resurfacing of Howard Street	146,144
1364	Various Improvements	4,085
1380	Park Improvements	321,745
1393	Various General Improvements	214,601
1400	Reconstruction of Short Street	84,465
1401	Reconstruction of Bussell Court	16,735
1409	Library and Sr. Ctr. Handicap Access	(15,435)
1416	Impvts. To Veteran's Memorial Park and Other Parks and Fields	25,223
1421	Various Capital Improvements	(613,857)
		<u>\$ 1,270,004</u>

BOROUGH OF DUMONT
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2009		\$ 8,150,060
Increased by:		
Serial Bonds Issued	\$ 8,530,000	
NJFIT Loan Award	<u>3,815,000</u>	
		<u>12,345,000</u>
		20,495,060
Decreased by:		
2010 Budget Appropriations		
Serial Bonds	490,000	
Green Trust Loans	15,503	
NJFIT Loan Payable	143,731	
Pension Obligation Lease	<u>18,000</u>	
		<u>667,234</u>
Balance, December 31, 2010		<u>\$19,827,826</u>

[illegible]

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds on Bond Anticipation Notes Issued

Ord. No. 1323

Ord. No. 1344/1375/1407

Ord. No. 1393

**BOROUGH OF DUMONT
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2009</u>	Grant <u>Awards</u>	Cash <u>Receipts</u>	Cancellation <u>of Receivable</u>	Balance, December 31, <u>2010</u>
Department of Transportation					
Ord. No. 1244 Reconstruction of DePew Street - III	\$ 15,347			\$ 15,347	
Ord. No. 1268 Bridge Culvert	12,651			12,651	
Ord. No. 1363 2008 Road Program - Howard Street	37,500		\$ 37,500		
Community Development					
Ord. No. 1205 Rehabilitation of Sewer - Glen, Madison, Omaha and Armour	31,968			31,968	
Ord. No. 1223 Rehabilitation of Sewer - Glen, Omaha and Bridge	86,592			86,592	
Ord. No. 1234 Various Improvements	46,468			46,468	
Ord. No. 1282 Road Reconstruction - E. Quackenbush, Brook and Short Streets	1,500			1,500	
Ord. No. 1354 Improvements to Memorial Park & C. Deangeles Park	123,762				\$ 123,762
Bergen County Open Space					
Ord. No. 1380 Improvements to Veterans Memorial Park	296,196		283,933		12,263
Ord. No. 1416 Improvements to Veterans Memorial Park and Other Fields		\$ 157,150			157,150
Other - Preservation Trust Library Grant					
Ord. No. 1364 Various Improvements	<u>-</u>	<u>25,023</u>	<u>25,023</u>	<u>-</u>	<u>-</u>
	<u>\$ 651,984</u>	<u>\$ 182,173</u>	<u>\$ 346,456</u>	<u>\$ 194,526</u>	<u>\$ 293,175</u>

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN RECEIVABLE

Increased by:	
Loan Awards	<u>\$ 3,815,000</u>
Balance, December 31, 2010	<u>\$ 3,815,000</u>

**BOROUGH OF DUMONT
STATEMENT OF DUE FROM CURRENT FUND**

Balance, December 31, 2009		\$ 17
Increased by:		
Interest on Investments and Deposits	\$ 111	
Receipts from Current Fund	300,621	
Current Fund Receipts Deposited in General Capital Fund	3,619	
General Capital Expenditures Paid by Current Fund	<u>1,615</u>	
		<u>305,966</u>
		305,983
Decreased by:		
General Capital Receipts Deposited in Current Fund		
Premium on Bond Anticipation Note	948	
Payments to Current Fund	<u>303,698</u>	
		<u>304,646</u>
Balance, December 31, 2010		<u>\$ 1,337</u>

EXHIBIT C-9

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION -
CANCELLED RECEIVABLES**

Increased by:		
Cancellation of Grant Receivables		<u>\$ 185,747</u>
Balance, December 31, 2010		<u>\$ 185,747</u>

EXHIBIT C-10

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Increased by:		
Cash Receipts - Grant Receivable		<u>\$ 21,718</u>
Balance, December 31, 2010		<u>\$ 21,718</u>

BOROUGH OF DUMONT
STATEMENT OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2010		Interest Rate	Balance, December 31, 2009	Increased	Decreased	Balance, December 31, 2010
			Date	Amount					
General Improvements	6/1/1999	\$ 2,973,000	2/15/2011	\$ 340,000	5.05%	\$ 1,428,000		\$ 325,000	\$ 1,103,000
			2/15/2012	360,000					
			2/15/2013	403,000					
General Improvements	5/1/2003	3,250,000	5/1/2011	175,000	3.25-3.550%				
			5/1/2012	180,000					
			5/1/2013	160,000					
			5/1/2014	580,000					
			5/1/2015	600,000					
			5/1/2016	610,000					
General Improvements	7/15/2010	8,530,000	7/15/11-13	100,000	1.50%				
			7/15/14-16	100,000	2.00%				
			7/15/2017	750,000	2.25%				
			7/15/2018	775,000	2.50%				
			7/15/2019	800,000	2.75%				
			7/15/2020	825,000	3.00%				
			7/15/2021	840,000	3.13%				
			7/15/2022	880,000	3.25%				
			7/15/2023	890,000	3.50%				
			7/15/2024	1,075,000	4.00%				
			7/15/2025	1,095,000	4.00%				
						\$ 3,898,000	\$ 8,530,000	\$ 490,000	\$ 11,938,000

BOROUGH OF DUMONT
SCHEDULE OF PENSION OBLIGATION LEASE PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Leases Outstanding</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2009</u>	<u>Decreased</u>	<u>Balance, December 31, 2010</u>
			<u>Date</u>	<u>Amount</u>				
Refund of Unfunded Pension Obligation	3/1/2003	\$ 938,000	3/1/2011	\$ 23,000	5.00%			
			3/1/2012	28,000	5.25%			
			3/1/2013	34,000	5.25%			
			3/1/2014	41,000	4.70%			
			3/1/2015	48,000	4.75%			
			3/1/2016	56,000	4.80%			
			3/1/2017	64,000	4.85%			
			3/1/2018	73,000	4.90%			
			3/1/2019	83,000	5.35%			
			3/1/2020	95,000	5.35%			
			3/1/2021	107,000	5.35%			
			3/1/2022	120,000	5.35%			
			3/1/2023	135,000	5.35%			
						\$ 925,000	\$ 18,000	\$ 907,000
						\$ 925,000	\$ 18,000	\$ 907,000

**BOROUGH OF DUMONT
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2009	Increased	Decreased	Balance, December 31, 2010
1277	Various Public Improvements	7/25/2003	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	\$ 197,585	\$ 197,585	\$ 197,585	197,585
1279	Acquisition of Fire Pumper	12/18/2003	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	402,932	402,932	402,932	402,932
1282	Various Public Improvements	7/22/2004	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	1,148,116	1,148,116	1,148,116	1,148,116
1261	Various Public Improvements	8/4/2005	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	105,996	105,996	105,996	105,996
1268	Various Public Improvements	8/4/2005	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	183,511	183,511	183,511	183,511
1280	Acquisition of Fire Pumper	8/4/2005	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	80,089	80,089	80,089	80,089
1288	Rehab of Park Ave Phase II	8/3/2006	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	148,000	148,000	148,000	148,000
1292	Repaving of Roads	8/3/2006	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	262,314	262,314	262,314	262,314
1299	Various Public Improvements	12/28/2006	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	900,237	900,237	900,237	900,237
1311	Various Park Improvements	12/28/2006	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	210,966	210,966	210,966	210,966
1314	Rehab Park Ave. Phase II	12/28/2006	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	84,444	84,444	84,444	84,444
1315	Repaving of Roads	12/28/2006	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	108,000	108,000	108,000	108,000
1321	Acquisition of Street Sweeper	8/2/2007	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	147,200	147,200	147,200	147,200
1323	Reconstruction of Pershing	8/2/2007	5/11/2009 5/4/2010 7/6/2010	5/10/2010 7/22/2010 7/5/2011	1.25% 1.50% 1.53%	364,000	364,000	364,000	364,000
							150,000	\$	150,000

BOROUGH OF DUMONT
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2009	Increased	Decreased	Balance, December 31, 2010
1344	Various Storm Sewer Improvements	12/28/2007	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	\$ 398,500	\$ 398,500	\$ 398,500	
1349	2007 Road Program	12/28/2007	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	351,500	351,500	351,500	
1355	Acquisition of Rescue Fire Truck	7/31/2008	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	475,000	475,000	475,000	
1354	Impvts to Memorial Park & C. Deangles Pk	7/31/2008	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	88,350	88,350	88,350	
1364	Various Improvements	7/31/2008	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	612,716	613,716	612,716 613,716	
1365	Supplemental - Park Improvements	7/31/2008	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	308,750	308,750	308,750	
1366	Acquisition of Property	7/31/2008	5/11/2009 5/4/2010	5/10/2010 7/22/2010	1.25% 1.50%	570,000	570,000	570,000	
1363	Resurfacing of Howard Street	12/22/2009	12/22/2009 5/4/2010	5/11/2010 7/22/2010	0.68% 1.50%	665,000	665,000	665,000	
1393	Various General Improvements	12/22/2009	12/22/2009 5/4/2010 7/6/2010	5/11/2010 7/22/2010 7/5/2011	0.68% 1.50% 1.53%	615,000	760,000 760,000	615,000 760,000	\$ 760,000
1380	Open Park Improvements	4/7/2009	5/4/2010	7/22/2010	1.50%		289,000	289,000	
1397	Various General Improvements	9/15/2009	5/4/2010	7/22/2010	1.50%		190,000	190,000	
1400	Reconstruction of Short Street	11/24/2009	5/4/2010	7/22/2010	1.50%		141,794	141,794	
1401	Reconstruction of Bussell Court	11/24/2009	5/4/2010	7/22/2010	1.50%		285,000	285,000	
						\$ 8,428,206	\$ 10,390,000	\$ 17,908,206	\$ 910,000
						Renewals Notes Issued \$ 9,337,500 \$ 9,337,500 Budget Appropriation 1,052,500 197,585 Paid by Capital Cash 3,305 Serial Bonds Issued 8,369,816			
						\$ 10,390,000	\$ 17,908,206		

BOROUGH OF DUMONT
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2010 Authorizations					Deferred Charges to Future Taxation Unfunded	Contracts Payable Cancelled	Authorizations Cancelled	Balance, December 31, 2010	
		Balance, December 31, 2009	Capital Imprv. Fund	Funded by Grants	Expend					Funded	Unfunded
		<u>Funded</u>	<u>Unfunded</u>								
1205	Rehabilitation of Sanitary Sewers	\$ 6,024						\$ 6,024		\$ 8,365	\$ 17,000
1218	Reconstruction of Columbia Avenue	6,464						6,464		983	
1223	Improvement of Sanitary Sewers	1,301						1,301		14,825	
1244	Various Public Improvements	1,454						1,454		18,670	150,000
1275	Refund Unfunded Pension Liability		\$ 17,000								
1292/1315	Repaving of Roads		13,270								
1299/1320	Various Improvements and Acquisitions		I								
1321	Acquisition of Street Sweeper		15,000								
1323	Reconstruction of Pershing Ave		169,945								
1344/1375/											
1407	Various Storm Sewer Improvements	4,051,489	\$ 15,000			\$ 285,000				3,431,458	676,000
1349	2007 Road Program	105,580				1,275				104,305	
1353	Acquisition of a Fire Truck	13,803				1,275				12,528	
1363	Resurfacing of Howard Street	2,683				2,683				146,144	
1364	Various Improvements	82,545	10,000			278,460				4,085	
1365	Supplemental - Park Improvements	24,317				24,317					
1366	Acquisition of Property	26,930				26,930					
1380	Park Improvements	289,000				136,715				321,745	214,601
1393	Various General Improvements	303,494				88,893				84,465	
1400	Reconstruction of Short Street	123,500				39,035				16,735	
1401	Reconstruction of Bussell Court	249,372				232,637					
1409	Library and St. Chr. Handicap Access		11,250			26,685					198,315
1416	Impvrs. To Veteran's Memorial Park and Other Parks and Fields									25,225	174,800
1421	Various Capital Improvements		9,200	\$ 157,150		141,127					193,643
			42,500			656,357					
		<u>\$ 184,703</u>	<u>\$ 5,487,929</u>	<u>\$ 157,150</u>	<u>\$ 1,905,793</u>	<u>\$ 1,671,050</u>		<u>\$ 15,243</u>		<u>\$ 4,189,531</u>	<u>\$ 1,624,359</u>

Cash Disbursed	\$ 397,444
General Capital Expenditures Paid by Current Fund	1,615
Contracts Payable	<u>1,506,734</u>
	\$ 1,905,793

EXHIBIT C-15

**BOROUGH OF DUMONT
STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2009		\$ 923,515
Increased by:		
Charges to Improvement Authorization		<u>1,506,734</u>
		2,430,249
Decreased by:		
Payments	\$ 777,371	
Cancellations	<u>146,144</u>	
		<u>923,515</u>
Balance, December 31, 2010		<u>\$ 1,506,734</u>

EXHIBIT C-16

STATEMENT OF GREEN TRUST FUND LOAN PAYABLE

Balance, December 31, 2009		\$ 201,854
Decreased by:		
2010 Budget Appropriation		<u>15,503</u>
		.
Balance, December 31, 2010		<u>\$ 186,351</u>

EXHIBIT C-17

**STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE
TRUST LOAN PAYABLE**

Balance, December 31, 2009		\$ 3,125,206
Increased by:		
Loan Award		<u>3,815,000</u>
		6,940,206
Decreased by:		
2010 Budget Appropriation		<u>143,731</u>
		.
Balance, December 31, 2010		<u>\$ 6,796,475</u>

EXHIBIT C-18

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2009		\$ 6,698
Increased by:		
Budget Appropriation		<u>81,252</u>
		87,950
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>87,950</u>
		.
Balance, December 31, 2010		<u>\$ -</u>

BOROUGH OF DUMONT
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance, December 31, 2009	2010 Improvement Authorizations	Loans Issued	Serial Bonds Issued	Bond Anticipation Notes Issued	Balance, December 31, 2010
1192	Rehab and Replace Boiler	\$ 500					\$ 500
1250	Impvts of Various Parks and Acq. Of Equip	4,908					4,908
1260	Various Public Improvements	1,690					1,690
1275	Refund Unfunded Pension Liab	17,000					17,000
1344	Various Storm Sewer Improvements	154,500			\$ 154,500		
1364	Various Improvements	6,684			5,684	\$ 1,000	
1375	Sewer System Improvements	4,200,000		\$ 3,815,000			385,000
1380	Open Park Improvements	289,000				289,000	
1393	Various General Improvements	145,000				145,000	
1400	Reconstruction of Short Street	142,500				142,500	
1401	Reconstruction of Bussell Court	285,000				285,000	
1405	Various General Improvements		\$ 190,000			190,000	
1407	Acq. Of Easements and Prop Relating to Storm Water		285,000				285,000
1409	Library and Senior Center Handicap Access		213,750				213,750
1416	Impvts to Veteran's Memorial Park and Parks and Other Fields		174,800				174,800
1421	Various Capital Improvements	-	807,500	-	-	-	807,500
		<u>\$ 5,246,782</u>	<u>\$ 1,671,050</u>	<u>\$ 3,815,000</u>	<u>\$ 160,184</u>	<u>\$ 1,052,500</u>	<u>\$ 1,890,148</u>

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PUBLIC ASSISTANCE FUND

BOROUGH OF DUMONT
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER

Balance, December 31, 2009		\$	7,435
Increased by:			
Donations	\$	1,067	
Interest		<u>1</u>	
			<u>1,068</u>
			8,503
Decreased by:			
Payment to Current Fund		<u>1</u>	
Non-Reimbursable Expenditures		<u>771</u>	
			<u>772</u>
Balance, December 31, 2010		\$	<u>7,731</u>

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

Balance, December 31, 2009	\$	7,434
Increased by:		
Revenues		<u>1,067</u>
		8,501
Decreased by:		
Expenditures		<u>771</u>
Balance, December 31, 2010	\$	<u>7,730</u>

**BOROUGH OF DUMONT
STATEMENT OF PUBLIC ASSISTANCE REVENUES**

Revenues	
Donations	\$ 1,067
Receipts	
Interest Income	<u>1</u>
Total Revenues/Receipts	<u>\$ 1,068</u>

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

Expenditures:	
Current Year Assistance	
Non-Reimbursable Expenditures	\$ 771
Disbursements	
Payments to Current Fund	<u>1</u>
Total Expenditures/Disbursements	<u>\$ 772</u>

STATEMENT OF DUE TO CURRENT FUND

Balance, December 31, 2009	\$ 1
Increased by:	
Interest Income	<u>1</u>
	2
Decreased by:	
Payments to Current Fund	<u>1</u>
Balance, December 31, 2010	<u>\$ 1</u>

**BOROUGH OF DUMONT
BERGEN COUNTY, NEW JERSEY**

**PART II
GOVERNMENT AUDITING STANDARDS
YEAR ENDED DECEMBER 31, 2010**

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members
of the Borough Council
Borough of Dumont
Dumont, New Jersey

We have audited the financial statements – regulatory basis of the Borough of Dumont as of and for the year ended December 31, 2010, and have issued our report thereon dated May 31, 2011 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. In addition, our report on the financial statements was qualified because of the presentation of the unaudited LOSAP Trust Fund financial statements. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Dumont's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and responses as item 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

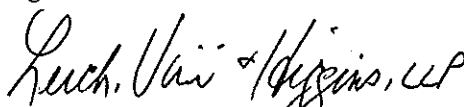
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Dumont's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and responses costs as item 2010-1.

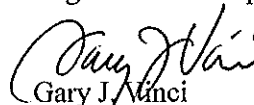
We also noted certain matters that we reported to management of the Borough of Dumont in Part III of this report of audit entitled "Letter of Comments and Recommendations".

The Borough of Dumont's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Borough's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the governing body, management, New Jersey Department of Community Affairs and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
May 31, 2011

BOROUGH OF DUMONT
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

<u>Federal Program</u>	<u>CFDA Number</u>	<u>Grant Receipts</u>	<u>Grant Award</u>	<u>Balance, January 1, 2010</u>	<u>Revenue</u>	<u>Expended</u>	<u>Adjustments</u>	<u>Balance, December 31, 2010</u>	<u>Cumulative Expenditures</u>
Community Development Block Grant:									
Sanitary Sewers - Ord. 1205	14.218		\$ 177,000	\$ (31,968)			\$ 31,968		*
Sanitary Sewers - W. Madison, Donce, and Hillside - Ord. 1223	14.218		155,000	(86,592)			86,592		*
Various Improvements - Barrier Free Access - Ord. 1234	14.218		142,000	(46,468)			46,468		*
Road Reconstruction - Ord 1282	14.218		128,687	(1,500)			1,500		*
Improvements to Veteran's Plaza	14.218		91,200	(73,557)	\$ 38,036		25,716	\$ (9,805)	\$ 47,841
Office of Justice Programs	*			1,467				1,467	*
Body Armor									
Division of Highway Safety									
Obey the Sign or Pay the Fine	20.600		4,000	4,000				4,000	*
Department of Environmental Protection									
Green Communities Grant (Consolidated Forest Management)	10.664		3,000	3,000				3,000	*
Department of Transportation									
Transportation Trust Fund - Ord. 1244 (DePew)	20.265			(15,347)			15,347		*
Transportation Trust Fund - Ord. 1268	20.265			(12,651)			12,651		105,000
Transportation Trust Fund - Ord 1363 (Howard)	20.205	\$ 37,500	150,000	(37,500)	37,500			-	150,000
Department of Homeland Security									
Federal Emergency Management Agency	97.036	102,784		10,864	102,784	\$ 102,784	-	10,864	55,000
Federal Emergency Management Agency	97.036		65,864		-	-	-		
				\$ (286,252)	\$ 178,320	\$ 102,784	\$ 220,242	\$ 9,526	

This schedule is not subject to a single audit in accordance with OMB Circular A-133.

* Not Available

BOROUGH OF DUMONT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

State Grant Program	Account Number	Grant Year	Grant Receipts	Balance, January 1, 2010	Revenue	Expended	Adjustment	Balance, December 31, 2010	Cumulative Expenditures
Division of Criminal Justice									
Body Armor	1020-718-066-1020-001-YCIS-6120	2010	\$ 4,560	\$ 3,204	\$ 4,560			\$ 4,560	*
Body Armor	1020-718-066-1020-001-YCIS-6120	2008		3,204				3,204	*
Body Armor	1020-718-066-1020-001-YCIS-6120	2007		2,528	\$	\$ 1,901		627	\$ 5,382
Body Armor	1020-718-066-1020-001-YCIS-6120	2006		3,104		3,104			*
Department of Law and Public Safety									
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	2009		1,935			\$	1,935	*
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	2008		685			1	686	1,978
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	2008		2,294				2,294	
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	2007		2,253		260		1,993	1,230
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	2005		3,339		3,339			5,496
NJOEM SLAHEOP Grant	1110-448-031020-22	2004		1,531				1,531	*
Department of Environmental Protection									
Clean Communities Program	4900-765-178910-60	2010	25,422	24,454	25,422	17,543	10,191	25,422	17,543
Clean Communities Program	4900-765-178910-60	2009		-				6,911	8,850
Clean Communities Program	4900-765-178910-60	2008						10,191	13,576
Clean Communities Program	4900-765-178910-60	2005		503		503		-	3,850
Clean Communities Program	4900-765-178910-60	2004		3,526		3,526		-	*
State Recycling Fund	**	2009		17,715				17,715	*
State Recycling Fund	**	2008		7,588				7,588	*
State Recycling Fund	**	2006		7,331				7,331	*
State Recycling Fund	**	2007		6,931				6,931	*
Stormwater Improvement Grant - Ord. 1344	**	2007		-				-	250,000
Stormwater Management Grant	**	2008		2,247				2,247	760
Stormwater Management Grant	**	2007		3,007				3,007	*
Stormwater Management Grant	**	2005		9,022		255		8,767	*
Shade Tree and Community Forestry	4870-100-110340	2009		8,252		8,252			25,000
Administrative Offices of the Courts									
Alcohol Education and Rehabilitation	9735-760-060000-60	2007		395				395	*
Alcohol Education and Rehabilitation	9735-760-060000-60	2006		205				205	*
Alcohol Education and Rehabilitation	9735-760-060000-60	2002		434				434	*
Alcohol Education and Rehabilitation	9735-760-060000-60	1998		746				746	*
Alcohol Education and Rehabilitation	9735-760-060000-60	1995		879				879	*
Alcohol Education and Rehabilitation	9735-760-060000-60	2005		250				250	*
Domestic Violence Training	**	2008		500				500	*
Domestic Violence Training	**	2007		3,500				3,500	*
Domestic Violence Training	**	2005		2,605				2,605	*
Preservation Trust									
Library Grant		2010	25,023	-	25,023	25,023	-	-	25,023
Total State Financial Assistance		83		120,963	55,005	63,706	10,192	122,454	

BOROUGH OF DUMONT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

State Grant Program	Account Number	Grant Year	Grant Receipts	Balance, January 1, 2010	Revenue	Expended	Adjustment	Balance, December 31, 2010	Cumulative Expenditures
Other Financial Assistance									
Bergen County Utilities Authority	**	2007		\$ 5,509	-	-	-	\$ 5,509	*
Municipal Recycling Assistance Program				5,509	-	-	-	5,509	
Total Other Financial Assistance				\$ 126,472	\$ 55,005	\$ 63,706	\$ 10,192	\$ 127,963	
Total State and Other Financial Assistance									

** Not Available

This schedule is not subject to a state single audit in accordance with Circular 04-04.

BOROUGH OF DUMONT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2010

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Dumont. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are presented using the regulatory basis of accounting as prescribed or permitted for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 140,820	\$ 55,005	\$ 195,825
General Capital Fund	<u>37,500</u>	<u>-</u>	<u>37,500</u>
Total Financial Awards	<u>\$ 178,320</u>	<u>\$ 55,005</u>	<u>\$ 233,325</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

BOROUGH OF DUMONT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2010

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2010, which are not required to be reported on the schedules of expenditures of state financial assistance, are as follows:

Loan Program

Green Acres Trust Fund	
Multi Park Improvements	\$ 182,872
Memorial and Dervitz Parks	3,479
NJ Environmental Infrastructure Trust	
Trust Loan - 2007	1,555,000
Fund Loan - 2007	1,426,475
Trust Loan - 2010	965,000
Fund Loan - 2010	<u>2,850,000</u>
	<u>\$ 6,982,826</u>

**BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements Qualified

Internal control over financial reporting:

1) Material weakness(es) identified yes X no

2) Significant deficiency(ies) that are not
considered to be material weakness(es)? X yes none

Noncompliance material to the financial
statements noted? X yes no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

Finding 2010-1 – Our audit noted that there were capital project contracts for the acquisition of a fire pumper and handicap improvements totaling \$638,855 which were not encumbered nor reported in the Borough's year end financial statements. In addition, there was \$391,894 of encumbrances recorded in the General Capital Fund which were not valid encumbrances and were cancelled by audit adjustments. Furthermore, a contract was awarded for Phase III of Sewer System Improvements without an authorized appropriation. A capital ordinance was adopted in 2011 to provide the legal appropriation for the Phase III contracts.

Criteria - N.J.A.C. 5:30-5.4 Encumbrance Accounting
Local Public Contracts Law

Condition – The Borough's general capital improvement authorization subsidiary ledger does not include authorized and approved contracts of \$638,855. In addition, the subsidiary ledger includes encumbrances of \$391,894 which are not valid commitments.

Cause – Contracts were not encumbered when awarded by the governing body. Contract balances are not always periodically compared to architect/engineer certifications.

Effect – Improvement authorization balances may be over(under)stated.

Recommendation - Internal controls regarding the recording and adjustment of General Capital purchase orders be reviewed and enhanced.

Response – Management has reviewed this finding and has indicated it will review and revise its procedures to ensure that corrective action is taken.

**BOROUGH OF DUMONT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

FINDING 2009-1

Condition – The Borough maintains cash basis general ledgers.

Current Status – Corrective action has been taken.

BOROUGH OF DUMONT

BERGEN COUNTY

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

**BOROUGH OF DUMONT
SUPPORTING DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2010</u>		<u>Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 805,000	1.46 %	\$ 805,000	1.49 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,722,709	4.93	2,915,001	5.41
Collection of Delinquent Taxes and Tax Title Liens	572,735	1.04	668,608	1.24
Collection of Current Tax Levy	50,908,783	92.23	49,193,855	91.33
Other Credits	<u>188,208</u>	<u>0.34</u>	<u>283,621</u>	<u>0.53</u>
Total Income	<u>55,197,435</u>	<u>100.00 %</u>	<u>53,866,085</u>	<u>100.00 %</u>
EXPENDITURES				
Municipal Budget	17,953,123	33.05 %	17,662,951	33.34 %
County Taxes	4,441,522	8.18	4,530,850	8.55
Local District School Taxes	31,899,943	58.72	30,762,300	58.07
Other Expenditures	<u>27,927</u>	<u>0.05</u>	<u>19,911</u>	<u>0.04</u>
Total Expenditures	<u>54,322,515</u>	<u>100.00 %</u>	<u>52,976,012</u>	<u>100.00 %</u>
Less: Expenditures to be Raised by Future Revenue	<u>-</u>		<u>7,818</u>	
Total Adjusted Expenditures	<u>54,322,515</u>		<u>52,968,194</u>	
Excess in Revenue	874,920		897,891	
Fund Balance, January 1	<u>1,252,671</u>		<u>1,159,780</u>	
	2,127,591		2,057,671	
Less Utilization as Anticipated Revenue	<u>805,000</u>		<u>805,000</u>	
Fund Balance, December 31	<u>\$ 1,322,591</u>		<u>\$ 1,252,671</u>	

**BOROUGH OF DUMONT
SUPPORTING DATA**

Comparative Schedule Of Tax Rate Information

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Tax Rate</u>	\$2.463	\$2.385	\$2.311

Apportionment of Tax Rate

Municipal	.724	.692	.667
County	.213	.218	.203
Local School	1.526	1.475	1.441

Assessed Valuation

2010	\$2,091,056,705	
2009		\$2,086,291,572
2008		\$2,087,052,772

Comparison Of Tax Levies And Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>		<u>Tax Levy</u>	<u>Cash Collections</u>	Percentage of <u>Collection</u>
2010	\$	51,588,577	\$ 50,908,783	98.68%
2009		49,817,451	49,193,855	98.75%
2008		48,285,235	47,484,460	98.34%

**BOROUGH OF DUMONT
SUPPORTING DATA**

Delinquent Taxes And Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Lien</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2010	\$ 575,458	\$ 3,022	\$ 578,480	1.12%
2009	572,736	2,401	575,137	1.13%
2008	683,174	1,800	684,974	1.42%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2010 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2010	\$79,526
2009	79,526
2008	79,526

Comparative Schedule Of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2010	\$1,322,591	\$805,000 (A)
	2009	1,252,671	805,000
	2008	1,159,780	805,000

(A) 2011 Municipal Budget not adopted as of the date of audit.

**BOROUGH OF DUMONT
SUPPORTING DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
Matthew McHale	Mayor		
Kenneth Freeman	Councilman		
Marty Caspare	Councilman		
Matthew M. Carrick	Councilman		
Harry Stylianov	Councilman		
Carl Manna	Councilman		
Ellen Zamechansky	Councilwoman		
John Perkins	Administrator		
Susan Connelly	Borough Clerk		
Gregg Paster	Attorney		
T & M Engineering	Engineers		
Barbara Kozay	Tax Collector		
Donald Holdsworth	Magistrate		
Beryl Horbert	Court Administrator		
Glenda Hickey	Deputy Ct. Administrator		
James Anzevino	Tax Assessor		
Rosemarie Giotis	Chief Financial Officer		

The Bergen County Municipal Joint Insurance Fund and Hartford Fire Insurance Company provide a blanket position bond in the amount of \$1,000,000.

BOROUGH OF DUMONT

GENERAL COMMENTS

Prior Year Unresolved

Our audit of the Other Trust Fund revealed that escrow monies are not always refunded upon completion of project. It is recommended that the Borough review its procedures relating to developers escrow and ensure that procedures comply with New Jersey Statutes.

Certain municipal departments ordered goods or materials prior to the issuance of a purchase order. It is recommended that the encumbrance system be enhanced to ensure that materials be ordered only after a purchase order has been executed.

Current Year

Our audit of the Borough's Current Fund noted that there are numerous appropriated grants which have not been expended. It is recommended that the Borough review the balances of the appropriated grant reserves and action be taken to expend or clear them of record.

Our audit revealed that the Borough maintains deposits with the New Jersey Cash Management Fund and Wachovia Bank (Wells Fargo). These depositories were not approved as official depositories by a resolution of the governing body for 2010. It is recommended that all depositories utilized by the Borough be designated as an official depository of the Borough on an annual basis.

Our audit of the Other Trust Fund's police outside services revealed that:

- 1) Deposits were not made in a timely manner. In addition, no deposits were made during the period of April 22, 2010 until September 30, 2010.
- 2) The Borough's Administrative Code contains an hourly fee increase of 5% annually for the amount charged for traffic details for the years 2010 through 2014. The amount charged per hour in 2010 was not adjusted for the required fee increase.

It is recommended that all monies collected for police outside services be deposited within forty-eight hours of receipt. Furthermore, the Borough adhere to the municipal fees established in the Administrative Code for police outside services.

Our audit noted that the Borough's fixed asset accounting records were not updated for 2010 additions. An audit adjustment was made to record additions of \$183,474. It is recommended that the Borough's fixed asset accounting records be updated in a timely manner and be integrated with the Borough's financial accounting software.

Our review of LOSAP revealed that the service provider refunded the Borough \$4,200 in July 2010. The money was received by the Chief Financial Officer but was not deposited. The service provider, based on a review of its outstanding checks, noted this and voided the check. A new check was re-issued to the Borough in February 2011. It is recommended that all monies collected be deposited in a timely manner.

BOROUGH OF DUMONT

GENERAL COMMENTS

Current Year (Continued)

Our audit of recreation noted the following:

- 1) We were not always able to verify the timeliness of monies being deposited due to receipts being entered into system on the date deposited not the date received.
- 2) Registration forms were not always available for audit.

It is recommended that the recreation fees be deposited within forty-eight hours of receipt, and that all registration forms be retained for audit.

Our audit of payroll revealed that the Chief Financial Officer does not verify the payment of payroll taxes made by the Third Party Payroll Service Provider. It is recommended that the Chief Financial Officer verify that all payroll taxes were paid to respective agencies on required due dates.

Our audit revealed that the Board of Health cash receipt ledger did not include income collected for animal licenses. It is recommended that all dog and cat licenses issued be recorded in the Board of Health cash receipts ledger.

Our audit of the Construction Code and Police Departments revealed that monies were not always turned over to Treasurer within forty-eight hours of receipt. It is recommended that all fees collected by the Construction Code Department and the Police Department be deposited within forty-eight hours of receipt.

Our audit of expenditures revealed that documentation supporting County and State contracts was not available for audit. In addition, County and State contracts were not always approved by the Governing Body. It is recommended that documentation supporting State and County contracts be retained for audit. Furthermore, State and County contracts be approved by the Governing Body and be included in the Borough's official minutes.

Our audit of expenditures also revealed payments totaling \$19,500 were made to an individual for work performed at the municipal parks. A resolution approving this contract was not approved by the Governing Body nor was an itemized bill provided or a political contribution disclosure form obtained. It is recommended that the Borough adhere to the Local Public Contracts Law when authorizing contracts and making payments to vendors.

Contracts and Contracts Required To Be Advertised For NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$21,000 except by contract or agreement.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "professional services" per N.J.S. 40A:11-5.

BOROUGH OF DUMONT

GENERAL COMMENTS

Contracts and Contracts Required To Be Advertised For NJS 40A:11-4 (Continued)

The minutes indicate that bids were requested by public advertising for the following items:

LED Traffic Light Signals	Lightning Detection System
Roof Replacement and Window Restoration	Handicap Access Improvements
Solid Waste Tipping	Solid Waste Collection
Fire Pumper	Recycling

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures revealed instances where the accumulation of expenditures exceeded the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Collection Of Interest On Delinquent Taxes And Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 5, 2010 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 authorizes the Borough to fix a rate of interest to be charged for delinquent taxes; and

WHEREAS, N.J.S.A. 54:4-67, as amended by Section 29 of P.L. 1991, c. 75, authorizes the Borough to fix a penalty of 6% to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year.

WHEREAS, the Council has decided to charge the maximum interest and penalty allowed by law on delinquent taxes.

RESOLVED, by the Council of the Borough of Dumont, as follows:

1. For the year 2010 the rate of interest for delinquent taxes and Borough charges shall be 8% per annum for the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 except that, for any quarter if the taxes are paid during the first ten (10) days following February 1st, May 1st, August 1st, and November 1st there shall be no interest. If the office of the Tax Collector is closed on the 10th day of February, May, August or November this shall be extended to include the first business day thereafter.

BOROUGH OF DUMONT

GENERAL COMMENTS

Collection Of Interest On Delinquent Taxes And Assessments (Continued)

2. For the year 2010 any taxpayer with a tax delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year shall be charged a penalty of 6% of the amount of the delinquency.

3. The Tax Collector is hereby authorized to cancel any overpayment of taxes or tax delinquency which is less than \$10.00.

Delinquent Taxes And Tax Title Liens

A tax sale was held on April 8, 2010.

Tax title liens receivable outstanding on December 31 of the last three years were insignificant.

**BOROUGH OF DUMONT
SUPPORTING DATA**

RECOMMENDATIONS

It is recommended that:


- * 1. The encumbrance system be enhanced to ensure that materials be ordered only after a purchase order has been executed.
- * 2. The Borough review its procedures relating to developers escrow and ensure that procedures comply with New Jersey Statutes.
- * 3. Internal controls regarding the recording and adjustment of general capital purchase orders be reviewed and enhanced.
- 4. The Borough review the balances of appropriated grant reserves and action be taken to expend or clear them of record.
- 5. All depositories utilized by the Borough be designated as an official depository of the Borough on an annual basis.
- 6. The Borough adhere to the municipal fees established in the Administrative Code for police outside services.
- 7. All monies collected by the Borough, including monies collected by municipal departments, be deposited in a timely manner.
- 8. The Recreation Department registration forms be retained for audit.
- 9. The Chief Financial Officer verify that all payroll taxes were paid to respective agencies on required due dates.
- 10. Documentation supporting all State and County contracts be retained for audit. Furthermore, State and County contracts be approved by the Governing Body and be included in the Borough's official minutes.
- 11. The Borough adhere to the Local Public Contracts Law when authorizing contracts and making payments to vendors.
- 12. The Borough's fixed asset accounting records be updated in a timely manner and integrated with the Borough's financial accounting software.
- 13. All dog and cat licenses issued be recorded in the Board of Health cash receipts ledger.


Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, except for those recommendations denoted with an asterisk (*).

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Certified Public Accountant
RMA Number CR00411